Report to Congress | September 2015

Study and Report on the Implementation of the **Leahy-Smith America Invents Act**

UNITED STATES
PATENT AND TRADEMARK OFFICE
uspto

LEAHY-SMITH AMERICA INVENTS Act (Pub. L. 112-29)

SEC. 26. STUDY ON IMPLEMENTATION.

(a) PTO STUDY.—The Director shall conduct a study on the manner in which this Act and the amendments made by this Act are being implemented by the Office, and on such other aspects of the patent policies and practices of the Federal Government with respect to patent rights, innovation in the United States, competitiveness of United States markets, access by small businesses to capital for investment, and such other issues, as the Director considers appropriate.

(b) REPORT TO CONGRESS.—The Director shall, not later than the date that is 4 years after the date of the enactment of this Act, submit to the Committees on the Judiciary of the House of Representatives and the Senate a report on the results of the study conducted under subsection (a), including recommendations for any changes to laws and regulations that the Director considers appropriate.

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EXECUTIVE SUMMARY

On September 16, 2011, President Barack Obama signed the Leahy-Smith America Invents Act (AIA), the most significant reform to the U.S. patent system in 60 years.

Over the past four years, the United States Patent and Trademark Office (USPTO) acted to implement the AIA provisions that were designed to spur innovation and economic growth by streamlining the patent application process and enhancing patent quality. This report documents the manner in which the USPTO implemented the AIA and its amendments.

Overall, the USPTO has successfully implemented the AIA provisions, established the required programs, and carried out the required studies. These were done with transparency and significant stakeholder and public involvement, and as demonstrated, for example, through the successful:

- Transition to First Inventor To File in the United States;
- Establishment of a new process for a third-party to challenge the patentability of granted patents outside the federal court system;
- Creation of a prioritized examination mechanism for inventors to have their patent applications examined in one-third the average time; and
- Setting of a new patent fee schedule.

In general, the USPTO was able to overcome many obstacles associated with implementing the AIA provisions, studies, and programs. However, as noted in each section narrative, there were some challenges that impeded the USPTO's initial implementation plans in the following areas:

- Regional (Satellite) Offices - Section 23 required the USPTO to open three or more regional offices within three years of the AIA enactment. Budgetary uncertainties disrupted the USPTO's schedule to open these regional offices by September 2014. Despite these delays, the last two of four permanent offices will be open in 2015.
- Genetic Testing - Section 27 of the AIA called for the study of a number of issues related to confirmatory genetic diagnostic testing and a report to the Congress on the findings, including recommendations. The USPTO began the study, collected written comments from the public, and held public hearings. However, these efforts were reoriented in light of two Supreme Court decisions issued during the study period. The USPTO notified Congress of the need for further study and collected more input. The report was submitted to Congress on September 29, 2015.

As part of the study and reporting process, the USPTO identified recommendations for further enhancement to the patent law. These recommendations address needs in the areas of the statute of limitations for disciplinary proceedings, inventor's oath or declaration, inter partes disputes, fee setting authority, and USPTO funding, and are documented in the relevant AIA section in the Implementation Status part of the report, and summarized in Appendix I.

Table I – Implementation and Completion Schedule

	Provision	Memorandum Issued	Proposed Rule Published	Final Rule Published	Implementation/ Completion Date
1	Inter Partes Reexamination Threshold			09-23-2011	09-16-2011
2	Tax Strategies in Prior Art	09-20-2011			09-16-2011
3	Best Mode	09-20-2011			09-16-2011
4	Human Organism Prohibition	09-20-2011			09-16-2011
5	Electronic Filing Incentive		09-23-2011[1]	11-15-2011	11-15-2011
6	Prioritized Examination		02-04-2011	12-19-2011	09-16-2011
7	Preissuance Submission – Third Party Submission of Prior Art in a Patent Application		01-05-2012	07-12-2012	09-16-2012
8	Supplemental Examination		01-25-2012	08-14-2012	09-16-2012
9	Micro-entity (Implementation/Fee)		05-30-2012	12-19-2012	03-19-2013
10	Inventor's Oath or Declaration		01-06-2012	08-14-2102	09-16-2012
11	Citation of Prior Art in a Patent File		01-05-2012	08-06-2012	09-16-2012
12	Repeal of Statutory Invention Registration		07-26-2012	02-14-2013	03-16-2013
13	Office of Enrollment and Discipline (OED) Statute of Limitations		01-05-2012	07-31-2012	08-30-2012
14	Inter Partes Review		02-10-2012	08-14-2012[2]	09-16-2012
15	Post-Grant Review		02-10-2012	08-14-2012	09-16-2012
16	Covered Business Method Review - Transitional Program for Covered Business Method Patents		02-10-2012	08-14-2012	09-16-2012
17	Derivation Proceedings		02-10-2012	09-11-2012	03-16-2013
18	First Inventor To File		07-26-2012[3]	02-14-2013[4]	03-16-2013
19	Reserve Fund	N/A	N/A	N/A	N/A
20	Fee Setting Authority		09-06-2012	01-18-2013[5]	03-19-2013
	Program				
21	Patent Ombudsman for Small Businesses				09-16-2011
22	Pro Bono				09-16-2011
23	Diversity of Applicants				6-24-2015
24	Open Regional (Satellite) Offices				2015
	Study				
25	International Protection for Small Businesses -- Report				January 2012
26	Prior User Rights – Report				January 2012
27	OED Reports – Report on Misconduct Before the Office				First Biennial Report submitted September 30, 2013
28	Genetic Testing				September 2015
29	Virtual Marking – Report				September 2014
30	Regional (Satellite) Offices – Report				September 2014
31	Implementation of the America Invents Act				September 2015

1 To notify the public of the fee requirement in the AIA.
2 Changes to implement technical corrections 03-25-2013
3 Extended public comment period to 11-05-2012
4 Correction issued 03-14-2013
5 Correction published 03-20-13

The Leahy-Smith America Invents Act

On September 16, 2011, President Barack Obama signed the Leahy-Smith America Invents Act (AIA) into law (P.L. 112-29). The new law represented more than eight years of considerable efforts by Congress, the Administration, and stakeholders to modernize the U.S. patent system - the most significant reform in 60 years.

> "I am pleased to sign the America Invents Act. This much-needed reform will speed up the patent process so that innovators and entrepreneurs can turn a new invention into a business as quickly as possible."
> —President Obama.

The U.S. patent system originates in the Constitution, where the Founding Fathers recognized the need to promote the progress of science and the useful arts by granting inventors the exclusive rights to their discoveries for limited periods of time.

This constitutional imperative created a bargain between innovators and society whereby inventors are encouraged and rewarded through exclusive, but limited, rights to their inventions in exchange for the disclosure of the knowledge behind the invention for others to build upon.

Congress subsequently enacted the U. S. Patent Act in 1790 and established the U.S. Patent Office in the State Department in 1836. Since that time, the American economy has grown and become more globalized, and technology has revolutionized all aspects of American life. At the same time, litigation practices have changed, and court decisions have highlighted the need for modifying the patent law.

Congress responded to these trends by considering patent reform while remaining true to the original constitutional objectives. In doing so, Congress heard from all participants in the patent community – researchers, technologists, visionaries, patent prosecutors, patent litigators, inventors, small businesses, and corporations – many with different and often conflicting perspectives on the patent system.

With the AIA, Congress aimed to balance competing interests, and modernize the United States patent system. The AIA contained 17 provisions of law requiring the USPTO to promulgate new regulations, conduct and report on studies into various aspects of the intellectual property (IP) system, and establish new programs to aid certain segments of the patent community in filing patent applications.

Out of the many changes to the patent system that are discussed in this report, several are historically notable:

First Inventor to File (FITF)

The AIA promotes a system of clearer and more enforceable patent rights by adopting a FITF standard for determining rights to a patent. By transitioning to a simpler, more objective, and more transparent system for determining rights to a patent, the AIA helps ensure that independent inventors and small entities are able to navigate the patent system on a more equitable footing with larger enterprises.

Patent Trial and Appeal Board (PTAB) and Post-Grant Trial Proceedings

The AIA established a new process before the PTAB for a third-party to challenge the patentability of granted patents outside the federal court system. These post-grant proceedings were designed to be a faster and less expensive alternative to district court litigation for resolving patentability.

Fee Setting Authority and Fee Reserve Fund

For the first time, the AIA provided the USPTO with the authority to set all its fees to recover the aggregate costs of the services it provides, and to access all the fees it collects.

> The purpose of the "America Invents Act," as reported by the Committee on the Judiciary, is to ensure that the patent system in the 21st century reflects its constitutional imperative.

Third Party Submissions of Prior Art

The AIA permits third parties to submit prior art into the record of another's application. Prior art is a term used in the IP community to reference information already known to the public. In an era with crowdsourcing tools, allowing the USPTO to harness the knowledge of the crowd helps patent examiners widen the scope of their review and offers applicants heightened confidence in their patents once issued.

Implementation of the AIA

Implementation Framework and Transparency

The AIA contained provisions that impacted both the USPTO and the court system. Particular to the USPTO, the AIA contained 20 provisions of law for the USPTO to implement through rulemaking within 18 months of enactment. The AIA also required the USPTO to conduct seven studies about various aspects of IP law and report results to Congress over a four year window after enactment. Lastly, the AIA required the USPTO to establish four programs, also by specified due dates. The USPTO was not charged with implementing any of the provisions relevant to the court system.

The USPTO committed to implementing the AIA with maximum transparency and stakeholder and public participation. The USPTO used its public outreach activities to gather input from its broad spectrum of users, including major corporations, small and medium enterprises, universities, individual inventors and IP practitioners. The USPTO believed that implementation decisions that were informed by maximum public participation result in a stronger, more effective patent system.

Statutory Provision Implementation

The statutory provisions contained in the AIA were designed to improve the transparency of the patent system, harmonize or simplify application filing procedures and/or information requirements, expedite examination, and provide an alternative forum for challenging patentability over the district courts. The 20 statutory provisions became effective at three distinct times. Some went into effect within 60-days of enactment (Group 1), others became effective one-year from enactment (Group 2), and the final ones took effect 18 months after enactment (Group 3). The table below shows the provisions captured in each group.

Table II – AIA Provisions by Implementation Group

	Group 1 (60 Day Post-Enactment Effective Date)	Group 2 (September 16, 2012 Effective Date)	Group 3 (March 16, 2013 Effective Date)
1	Inter Partes Reexamination Threshold Transition	Inventor's Oath or Declaration	First Inventor to File
2	Tax Strategies Deemed within the Prior Art	Preissuance Submissions	Repeal of Statutory Invention Registration
3	Best Mode	Citation of Patent Owner Claim Scope Statement	Fee Setting; Micro-Entity Fee
4	Human Organism Prohibition	Supplemental Examination	
5	Prioritized Examination	Post-grant Proceedings (i.e., Inter Partes Review, Covered Business Method Review, and Post-Grant Review, Derivations)	
6	Electronic Filing; Patent and Trademark Office Funding	OED Statute of Limitations	

The AIA statutory provisions impacted USPTO examinations to varying degrees. Some required the USPTO to make only slight modifications to its existing procedures, while others required it to establish new procedures governed by rules to be established through rulemaking. For example, the human organism prohibition provision merely codified existing USPTO practice of precluding a patent directed to or encompassing a human organism. By contrast, the preissuance submission provision established a new procedure through which a third party could submit prior art into the record of another's patent application to aid the examiner in determining the patentability of the other's claimed invention. The FITF provision impacted examinations the most as it altered the framework under which examiners determine the novelty of an invention and thereby its patentability. The USPTO addressed the different impacts of the various AIA provisions on examinations in terms of the extent of training given to examiners, which is discussed below in detail. Also, some AIA provisions did not impact examiners at all, but instead affected the PTAB. For instance, the post-grant proceeding provisions for inter partes review (IPR), covered business method (CBM) review, and post-grant review (PGR) established new patentability trials to be adjudicated by the PTAB.

To implement the various statutory provisions, the USPTO either issued directional memoranda or notices of proposed rulemaking followed by final rules. The USPTO employed directional memoranda when a statutory provision did not require any new rules, but instead either codified existing practice or made a straightforward change to existing practice or procedure. Directional memoranda were distributed to examiners via email as well as published on the AIA section of the USPTO website for the public. The USPTO employed rulemaking when a statutory provision required either the establishment of a new procedure or significant modification to existing procedures. The USPTO handled rulemaking through a formalized process detailed in the Rulemaking section below and educated examiners about new rules and rule changes through a comprehensive training plan detailed in the Preparing the Workforce section below.

In total, the USPTO successfully implemented all 20 statutory provisions on time. For details about the scope, operation, and usage thus far for these various provisions, please see Statutory Provisions below.

AIA Mandated Studies and Report Completion

The AIA required the USPTO to study select IP related topics for purposes of either assessing the impact of certain AIA provisions on the patent system or exploring areas for possible future legislative change. The table below lists the topics for study, along with report due dates.

Table III – AIA Studies

	Study Topic	Report Due Date
1	International Protection for Small Business	January 14, 2012
2	Prior User Rights	January 16, 2012
3	Genetic Testing	June 16, 2012
4	Misconduct before the Office	Every two years
5	Satellite Offices	September 30, 2014
6	Virtual Marking	September 16, 2014
7	Implementation of the AIA	September 16, 2015

The AIA also required two additional IP related studies—(1) Effects of First Inventor to File on Small Business and (2) Patent Litigation—but assigned those studies to other agencies for completion.

To conduct most studies, the USPTO followed a consistent protocol. The USPTO published at least one notice in the Federal Register seeking public input via written comments and announcing public hearings. The USPTO held at least one public hearing to receive witness testimony. It then assembled its independent research, coupled with the public input it received through written comments and hearing testimony, into a draft report. Finally, the USPTO circulated its draft report through the inter-agency clearance process to the Office of Management and Budget (OMB) and other federal agencies before submitting to Congress.

The USPTO successfully completed all of its studies on time, except the Genetic Testing Study and the Implementation of the AIA Study.

For the Genetic Testing Study, the USPTO submitted its report to Congress late due to the Supreme Court's issuance of two decisions during the study conduct period that impacted the subject matter of the study and required the report to be reconsidered and re-drafted. The report was submitted to Congress on September 29, 2015 . Details about each study, such as the number of written comments received and the number of testifying witnesses, are explained in the Studies and Reports section below.

For the implementation of the AIA study, the USPTO submitted its report to Congress together with the Genetic Testing Report.

AIA Mandated Patent Programs Establishment

The AIA mandated the USPTO to establish four programs to enhance transparency and stakeholder interaction. The table below shows the program topics and dates for establishment.

Table IV – AIA Programs

	Program Topic	Establishment Due Date
1	Pro Bono	September 16, 2011
2	Diversity of Applicant	March 16, 2012
3	Patent Ombudsman for Small Business	September 16, 2011
4	Satellite Offices	September 16, 2014

Two of the programs codified existing USPTO initiatives—Pro Bono and Patent Ombudsman for Small Business. The other two programs necessitated the USPTO to take new actions—Diversity of Applicant—or expand existing efforts—Regional (Satellite) Offices.

Through collaborations with other government agencies, the USPTO successfully stood up all new programs by the statutory due dates, except for the regional (satellite) offices. The delay in opening all regional (satellite) offices was due to budgetary constraints.

Technical Amendments

Pub. L. 112-274 was enacted on January 14, 2013 to correct and improve certain provisions of the AIA and title 35, United States Code. Technical corrections, for example, applied to the transitional program for covered business methods and derivation proceedings. Amendments, unless otherwise noted, became effective immediately and were part of the overall implementation of the AIA.

BACKGROUND

Appointing a Patent Reform Coordinator

To effectively implement the AIA, the USPTO appointed a Patent Reform Coordinator to manage its implementation activities. The Patent Reform Coordinator reported to the USPTO Director and was based out of the office of the Under Secretary and Director. The Coordinator had responsibility to oversee all aspects of AIA implementation from rulemaking to study execution to program development.

Internal to the USPTO, the Coordinator devised an implementation plan and schedule to ensure all statutory provisions were timely implemented so that the public would be kept informed of all implementation steps and could participate in the process. The Coordinator likewise formed teams and divided the implementation activities to be accomplished based upon the skill sets of the teams. The Coordinator supervised the teams' work and regularly updated the USPTO Director and Secretary of Commerce about the progress.

The Coordinator met extensively with stakeholder groups across the country to explain the provisions of the new patent law and the USPTO's implementation plan.

External to the USPTO, the Coordinator interfaced with the public on all AIA implementation activity. As an essential vehicle for communication with the public, the Coordinator established a dedicated section on the USPTO website to house all AIA implementation information. The Coordinator also met with stakeholder groups across the country to explain the provisions of the new patent law and the USPTO's implementation plan. For example, the Coordinator led three multi-city roadshows to educate the public about the AIA.

The AIA Online

On September 16, 2011, the "America Invents Act: Your Guide to the Law" was launched on the USPTO website. The guide features all of the USPTO's implementation documents, such as Federal Register Notices and directional memoranda to examiners. It also contains a blog, Frequently Asked Questions, press releases, legislative history documents, and a timeline for implementation activities. The USPTO updated the guide weekly and used it to communicate with the public about the implementation efforts on an ongoing basis. To follow is a more detailed breakdown of the contents of the AIA section of the USPTO website:

- Implementation Information. This section addressed the specific AIA provisions under the main categories of: (1) Patent examination, (2) Inter partes disputes, (3) Fees and budgetary issues, (4) AIA studies and reports, (5) Programs, and (6) Implementation status. Specific information about implementation activities could be found under each category.
- AIA Resources. This section includes information dealing with the legislation, such as the various bills, and a complete legislative history of the AIA (e.g., Senate and House debates and votes).

- Informational Videos. This section housed ten informational videos and four training videos, primarily focused on the AIA change to FITF.
- Press Releases and Speeches. This section contained a sampling of 83 USPTO presentations on the AIA to educate the public about the new law and the USPTO's implementation. This section also contained 34 press releases and 13 Director's Blogs covering aspects of the AIA. See Appendices II and III.
- Frequently Asked Questions. This section contained answers to questions raised by the public about the AIA.
- Comments. To encourage the public to submit comments as early as possible in the AIA implementation process, a specialized Comments section was established through which members of the public could submit a comment on any topic. The USPTO posted all comments received for public viewing. Additionally, the USPTO maintained a database to track and distribute all comments to the relevant USPTO staff for consideration in the implementation process.
- Blog. The USPTO maintained a blog to regularly provide updates and information about its AIA implementation activities, including congressional testimony; implementation activities/roadshows; programs; rulemaking; studies; and reports.
- Roadshows. The USPTO conducted public training sessions across the country in multiple cities as part of its rulemaking process to implement the statutory provisions. See Rulemaking section below. At the roadshows, USPTO subject matter experts explained the various AIA provisions and answered questions. The roadshows were free and open to the public. This section housed all training materials associated with the roadshows for easy public access in a central location.
  - The spring 2012 series included seven roadshows, two hearings on the subject of genetic testing, and two hearings by the Patent Public Advisory Committee (PPAC) on fee setting.
  - The fall 2012 series included eight roadshows that addressed the final rules that were, or soon would be, effective.
  - The fall 2014 series included seven roadshows on implementation of the FITF provisions.

  Further details and locations of the roadshows can be found in Appendix IV.
- Global Impacts of AIA. This section contained information about the global impact of various provisions of the AIA, such as transitioning the U.S. to a FITF system.
- Statistics. This section featured information about the public's use of various provisions over time; i.e., preissuance submissions; supplemental examination; IPRs; and CBMs.
- Announcements and Upcoming Events. This section alerted the public whenever the USPTO participated in or held an AIA speaking event so the public might attend to learn about the new patent law from a USPTO expert.
- Subscription Center. This section contained a registry for users to subscribe to receive automatic email notices whenever the site was updated.

Rulemaking

To accomplish its goal of transparency in implementing the AIA, the USPTO used the federal rulemaking process to its fullest extent to inform its stakeholders and the public about all aspects of implementation and collect their feedback.

As noted earlier, the AIA contained 20 provisions of law, most of which were implemented via rulemaking. The USPTO

followed the same process when rulemaking was needed, as outlined here.

Step 1:
Publication of a Notice of Proposed Rulemaking (NPRM)

After understanding the statutory requirements for a particular provision, the USPTO published proposed rules in a NPRM in the Federal Register to give public notice. An NPRM contains a preamble describing logistical details about proposed rules along with the text of the proposed rules. The preamble contains three parts: (1) a summary, (2) date and contact information, and (3) supplementary information.

The "Summary" section identified the issues and actions under consideration and also stated why the rule was necessary.

Under the "Dates" and "Addresses" section, the USPTO invited comments on the proposed rule, set a date for comments to be submitted, and specified various methods for conveying comments, such as U.S. mail, private courier, email, and the official federal electronic comment portal: www.regulations.gov. The USPTO allotted 60 days for the public to comment on each of its NPRMs.

In the "Supplementary Information" section, the USPTO discussed the merits of the proposed solution, cited important data and other information used to develop the action, and detailed its choices and reasoning. The USPTO also identified the legal authority for issuing the proposed rule.

Following the preamble, the USPTO published the regulatory text of the proposed rules in full. The regulatory text set out amendments to the standing body of law in the Code of Federal Regulations (CFR). If there was no existing law in the CFR, which was the situation for most of the AIA provisions since they set forth entirely new patent procedures, the USPTO described the proposed action in a narrative form.

Step 2:
Public Outreach During the Comment Period

After the NPRM published in the Federal Register, the USPTO engaged in extensive public outreach to educate stakeholders about its proposed implementation, encourage dialogue about its proposals, and collect oral input. For instance, the USPTO conducted an extensive multi-city roadshow, visiting seven cities and reaching more than 1,300 patent community members. At each stop, the USPTO held a full day program to engage with the public, walking attendees through the proposed rules and their implications on patent practice. The USPTO also webcast programs from at least two venues to broaden the audience attending public meetings. Finally, the USPTO posted all materials on its website to enable those not in attendance at a training session to learn about the planned implementation.

Step 3:
Consideration of Public Comments

Upon receipt of public written comments, the USPTO posted all input on the website to foster more dialogue. In total, the USPTO received 1,548 public comments on its various AIA NPRMs. The USPTO then modified the proposed rules in certain instances based upon public feedback. The USPTO made such changes after analyzing the pros and cons of each modification.

Lastly, the USPTO prepared written responses for all comments to be included in each final rule package.

Step 4:
Clearance of Final Rulemaking

After considering and incorporating the public written comments, the USPTO prepared final rules implementing each statutory provision. The USPTO circulated its final rules through an inter-agency clearance process, providing the final rules to the Department of Commerce (DOC), Office of Management and Budget (OBM), and other agencies for review and comment. The USPTO also circulated its final

rules to its Patent Public Advisory Committee (PPAC) for review and comment.

Step 5:
Publication of a Final Rulemaking.

After receiving and incorporating any feedback stemming from the inter-agency clearance process into the final rules, the USPTO issued final rules implementing each statutory provision. The final rules were structured in a way similar to proposed rules and published in the Federal Register to provide public notice. All final rules were published in the Federal Register at least thirty (30) days before they became effective to give the public ample time to understand the final rules before having to comply with them.

Preparing the Workforce for AIA

To prepare the examiner workforce for changes resulting from the AIA, the USPTO employed a three-phrased approach to coincide with the effective dates of the various statutory provisions. The USPTO opted for this phased approach to introduce examiners to new statutory provisions immediately before they were required to apply them. That way, the operation of the provision and implementing USPTO rules would be fresh in the examiners' minds and result in correct application.

In the first phase, the USPTO conducted immediate training in October 2011 to educate all examiners about the existence of the AIA, provide an overview of all provisions at a high level, and give detailed direction for the Group 1 provisions, which were then effective. The Patent Reform Coordinator taught more than 30 in-person and webcast classes to large groups of examiners. Each training session lasted for one (1) hour, including a question-and-answer period.

In the second phase of training, the USPTO developed a one (1)-hour computer-based training that all examiners were required to view for Group 2 provisions. Examiners then could pose questions to their supervisors on an "as needed" basis. The USPTO opted to employ this computer-based training style because the provisions in Group 2 did not have a direct or extensive impact on examiners and therefore they did not require as in-depth of training as for the Group 1 provisions.

In the third phase of training, the USPTO conducted the most extensive and iterative training for the FITF provision in Group 3 because, as noted earlier, this provision most dramatically impacted patent examination. The USPTO initially offered more than 40 in-person classes of a one (1) hour overview for the provision, taught to large groups of examiners by a dedicated team of FITF experts, as well as computer based training (CBT) to reach all examiners. Next, the USPTO provided two (2) hours of comprehensive training, taught more than 40 times, again to large groups of examiners, as well as CBT to reach all examiners. Thereafter, immediately before an examiner planned to examine his/her first application under the FITF provision, the USPTO provided a two (2)-hour interactive workshop, taught two to four times per bi-week for the past 20 months to no more than 50 examiners per class. Examiners who completed the workshop filled out a course evaluation form so that the USPTO could monitor both the content of the training and the skills of the instructor and make adjustments to ensure the training was effective. Lastly, the USPTO developed a library of eight (8) computer-based training modules on all aspects of the FITF provision for examiners to review on an "as needed" basis.

The Office of Patent Training has updated its course offerings to reflect AIA updates, so that newly hired examiners are taught the AIA provisions at the outset of their examiner careers. Also, all training materials provided to examiners are available on the USPTO website for the public.

Preparing the Public for AIA

To educate the public about the AIA, the USPTO conducted extensive outreach in the form of USPTO-sponsored roadshows and participation at public speaking engagements. Representatives, including the USPTO Director, USPTO Deputy

Director, Chief Judge and other judges of the PTAB, Commissioner of Patents, and the Patent Reform Coordinator traveled to bar associations, inventor groups, and law schools across the country teaching about the AIA. For example, the USPTO Director spoke at the Brookings Institution, the Deputy Director spoke at Cardozo Law School, the Chief Judge spoke at John Marshall Law School, the Commissioner of Patents spoke at the New York State Bar Association, and the Patent Reform Coordinator spoke at the American Intellectual Property Law Association Annual Meeting. In total, the USPTO held and/or participated in more than 110 AIA educational outreach events. For those who were unable to attend an outreach event in person or via webcast when available, the USPTO published representative samplings of training materials on the USPTO website.

Additionally, the USPTO established a dedicated AIA Call Center and a dedicated email box (HELPAIA@uspto.gov) staffed by customer service representatives trained on the AIA provisions and rules. Each Call Center representative either answered the caller's or emailer's question directly or referred the question to a subject matter expert and remained on the telephone call/email chain to ensure that the caller or emailer received an answer to his or her question. The AIA Call Center and HELPAIA email remains in operation to date and thus far has fielded 165,200 calls and emails.

Lastly, the USPTO recorded questions it received from the public about the AIA provisions and rules through public outreach, the AIA Call Center, and HELPAIA email and prepared "Frequently Asked Questions" for inclusion on the USPTO website. The USPTO categorized the questions by topic for ease of navigation and routinely updates the database to keep the information current. Further, the USPTO has monitored the frequency of questions on a specific AIA topic and developed more educational materials in response to a high volume of questions for that topic. For instance, after the Inventor's Oath or Declaration provision became effective, the USPTO received numerous questions about aspects of the revised USPTO oath or declaration forms. In response, the USPTO prepared and published on its website a Quick Reference Guide and series of Example Fact Patterns to guide the public in proper operation of the provision.

Bargaining Unit Negotiations

For statutory provisions that altered examiners' workload, the USPTO engaged in discussions with the Patent Office Professionals Association (POPA) regarding implementation. For instance, POPA representatives participated on a team to roll-out the FITF provision to examiners to ensure that all examiner needs and questions were addressed. Similar approaches were taken for the prioritized examination and preissuance submission provisions and for the opening of the regional offices. Because of this, USPTO and POPA representatives were able to successfully agree to implementation structures that enabled examiners to learn about and execute the new provisions while maintaining a timely and high quality examination of patent applications.

Development of the AIA Report

In May 2014, the USPTO initiated a comprehensive study on the implementation of the AIA. Responsibility for coordinating the study was assigned to the Patent Reform Coordinator working in the Office of the Under Secretary and Director. A cross-cutting team of senior business unit representatives was identified and assigned responsibility for documenting the actions required by the AIA, how these actions were implemented, and the effect of implementation.

Business unit representatives identified potential recommendations for any changes to laws and regulations, as well as to internal practices, that were vetted and reviewed by senior management.

The final draft report was vetted throughout the USPTO, as well as through the DOC and OMB.

IMPLEMENTATION STATUS

The following part of the report documents the manner in which the USPTO implemented each of the 31 AIA sections and sub-sections for which it was responsible. Each section and sub-section narrative includes a summary of the AIA requirement, the USPTO's implementation strategy, the implementation outcome, and recommendations as appropriate.

The section narratives are grouped as follows: Statutory Provisions addressing (1) Patent examination, (2) Inter partes disputes, and (3) Fees and budgetary issues; Programs; and Studies and Reports. Within each of these groupings, the narratives are presented in the order of implementation; i.e., within 60 days of enactment, within the first year of enactment, and thereafter. As a result, AIA section numbers are not chronological.

STATUTORY PROVISIONS - PATENT EXAMINATION

Section 6: Inter Partes Reexamination Transition Threshold

Introduction

Section 6 of the AIA replaced inter partes reexamination with a new inter partes review (IPR) process effective on September 16, 2012. Section 6(c)(3) of the AIA provided a transition provision under which a request for inter partes reexamination filed on or after September 16, 2011 will not be granted unless there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request. The "reasonable likelihood to prevail" is the standard for granting a petition under the new IPR process. Prior to the AIA, the standard for granting a request for inter partes reexamination was whether the request raised a substantial new question of patentability.

Section 6(c)(3) of the AIA required the USPTO to revise the regulations pertaining to inter partes reexamination. The USPTO implemented section 6(c)(3) of the AIA in a final rule published on September 23, 2011. The USPTO also notified the public that September 15, 2012 was the last day on which a request for inter partes reexamination could be filed in a Federal Register notice published on August 29, 2012.

Implementation Outcome

Table V shows the number of requests for inter partes reexamination that the USPTO received through September 15, 2012 (the last day to file a request for inter partes reexamination) and that all determinations were made by their statutory deadlines in early FY 2013. As of the end of June 2015, there are 576 pending inter partes reexaminations before the USPTO.

Table V – Inter Partes Reexamination

	FY 2011	FY 2012*	FY 2013	FY 2014
Request filed, total	374	640	-	-
Determinations on request, Total	366	354	347	-
Request Granted:	344	325	322	-
By examiner	342	320	320	-
By petition	2	5	2	-
Request denied	22	29	25	-
- Represents zero				

Section 14: Tax Strategies Deemed Within the Prior Art

Introduction

Section 14 of the AIA provides that for purposes of evaluating an invention for novelty under 35 U.S.C. § 102 or nonobviousness under 35 U.S.C. § 103, any strategy for reducing, avoiding, or deferring tax liability, whether known or unknown at the time of the invention or application for patent, shall be deemed insufficient to differentiate a claimed invention from the prior art. Section 14 of the AIA also defines "tax liability" and contains exclusions to the part of an invention for systems for preparing tax filings or for systems that are severable from a tax strategy. Section 14 of the AIA became effective on September 16, 2011, and applies to any patent application pending on, or filed on or after, September 16, 2011, and to any patent that is issued on or after September 16, 2011.

Implementation Strategy

Section 14 of the AIA did not require the USPTO to revise or issue new regulations. Section 14 of the AIA did require the USPTO to issue new guidance to the Patent Examining Corps. The USPTO implemented section 14 of the AIA in a memorandum to the Patent Examining Corps issued on September 20, 2011, followed by training examples. These materials are posted on the USPTO's website.

Implementation Outcome

Examiners are following the instructions contained in the memorandum and examples.

Section 15: Best Mode Requirement

Introduction and Implementation Strategy

Section 15 of the AIA provides that failing to disclose the best mode under 35 U.S.C. §112 is no longer a defense in litigation involving patent validity or infringement. The amendment of 35 U.S.C. §112 to eliminate best mode as a basis for canceling a patent claim, or holding it invalid or unenforceable, did not require the USPTO to revise or issue new regulations, or to issue new guidance to the Patent Examining Corps.

Section 15 of the AIA also amends 35 U.S.C. §119(e) and 120 to provide that a disclosure in a prior-filed application be disclosed in the manner provided by 35 U.S.C. §112(a) (formerly 35 U.S.C. §112, first paragraph), "other than the requirement to disclose the best mode." The USPTO implemented this aspect of section 15 of the AIA in a memorandum to the Patent Examining Corps issued on September 20, 2011. This memorandum is posted on the USPTO's website.

Implementation Outcome

Examiners are following the instructions contained in the memorandum.

Section 33(a): Human Organism Prohibition

Introduction

Section 33(a) of the AIA provides that no patent may issue on a claim directed to or

encompassing a human organism. This provision of the AIA did not change existing practice, but rather confirmed the long-standing USPTO position reflected in § 2105 of the Manual of Patent Examining Procedure (MPEP) that human organisms are not patent-eligible subject matter.

Implementation Strategy

Section 33(a) of the AIA did not require the USPTO to revise or issue new regulations, or issue new guidance to the Patent Examining Corps. The USPTO implemented section 33(a) of the AIA in a memorandum to the Patent Examining Corps issued on September 20, 2011. The memorandum explained that section 33(a) of the AIA codifies existing USPTO policy that human organisms are not patent-eligible subject matter and also explained how to treat an application containing a claim directed to or encompassing a human organism. This memorandum is posted on the USPTO's website. Section 33(a) has also been incorporated into the MPEP at MPEP § 2205.

Implementation Outcome

Examiners are following the instructions contained in the memorandum.

Section 11(h): Prioritized Examination

Introduction

Section 11(h) of the AIA provides for a prioritized examination process for patent applications. Section 11(h) of the AIA sets prioritized examination fee amounts (including a small entity discount), and also provides that the USPTO may by regulation prescribe conditions for acceptance of a request for prioritized examination, as well as limit the number of filings for prioritized examination that may be accepted. Section 11(h) of the AIA further provides that until such regulations are prescribed, no application for which prioritized examination is requested may contain or be amended to contain more than four independent claims or more than 30 total claims, and that the USPTO may not accept in any fiscal year more than 10,000 requests for prioritized examination. The prioritized examination provisions of the AIA became effective on September 26, 2011.

Implementation Strategy

Section 11(h) of the AIA required the USPTO to issue new regulations and procedures, prepare its examining and processing staff to handle applications for which prioritized examination is requested, and develop information technology (IT) systems to receive and process applications for which prioritized examination is requested. The aggregate goal for handling applications under prioritized examination is to provide a final disposition within 12 months of prioritized status being granted.

The USPTO published a final rule on September 23, 2011. The USPTO subsequently expanded the prioritized examination process to applications in which a request for continued examination was filed in a final rule published on December 19, 2011, and simplified the requirements for an application for which prioritized examination is requested in an interim rule published on March 5, 2014 (adopted as final in a final rule published on November 14, 2014). The USPTO also published an EFS-Web Prioritized Examination Quick Start Guide. The prioritized examination procedures have been incorporated into the MPEP at MPEP § 708. These materials are posted on the USPTO's website.

An application for which prioritized examination is requested must be filed electronically using the USPTO's EFS-Web, unless the application is for a plant patent. The USPTO reviews the application to determine whether the application is in condition for examination and complies with the requirements to be accorded prioritized examination. If the application is in condition for examination and complies with the requirements to be accorded prioritized examination, the application is docketed for examination as a prioritized examination application.

Implementation Outcome

Table VI shows the number of requests for prioritized examination that were received by the USPTO, the number of first actions and disposals that were processed, and first action and total pendency for prioritized examination. Additional statistics concerning prioritized examination are posted on the USPTO's website.

Table VI – Prioritized Examination

	FY 2011	FY 2012*	FY 2013	FY 2014	FY 2015 Thru June
Filings	855	5,036	6,893	9,124	6,841
First Office Actions		3,762	5,597	7,779	6,424
Disposals		2,086	4,886	6,940	6,583
First Action Pendency (months)		1.7	2.4	2.1	2.1
Time to Final Disposition (months)		5.0	6.6	6.5	6.8

*Count does not include the applications not in condition for examination or that do not comply with the requirements to be accorded prioritized examination

Section 8: Preissuance Submissions – Third Party Submission of Prior Art in a Patent Application

Introduction

Section 8 of the AIA expands the scope of information that may be submitted by a member of the public to the USPTO in a pending application to include an explanation of the patents, published patent applications, and other printed publications being brought to the USPTO's attention. The patent laws were amended in 1999 as part of the American Inventors Protection Act of 1999 or AIPA (Pub. L. 106-113, 113 Stat. 1501 (1999)) to provide for publication of pending patent applications (with certain exceptions) at 18 months from the earliest claimed filing date. The 18-month publication provisions of the AIPA, however, required that the USPTO establish procedures to ensure that no protest or other form of pre-issuance opposition to the grant of a patent on an application was initiated after publication of the application without the express written consent of the applicant. Thus, the USPTO's rules to implement the 18-month publication provisions of the AIPA permitted a third party to submit prior art patents, published patent applications, and publications, but did not permit the third party to explain why the prior art was submitted or its relevance to the application. This restriction tended to decrease the value of the information submitted to the examiner and, as a result, deter such submissions. Section 8 of the AIA provides a process by which a third party may submit relevant patent documents and other publications to the USPTO, and permits the third party to make statements concerning the relevance of the patents, published patent applications, and other printed publications brought to the USPTO's attention. However, a third party does not have any procedural rights to oppose the pending patent application after making a third party submission.

Section 8 of the AIA requires that any preissuance submission by a third party be made in the record of another's patent application before the later of (1) six months after the date on which the application is first published by the USPTO under the 18-month publication provisions of the AIPA; or (2) the date of the first office action during the examination of the application containing a rejection of any claim. Section 8 of the AIA, however, also requires that any preissuance submission by a third party be made in any event before the date a notice of allowance is mailed in the application. Section 8 of the AIA further requires a concise description of the asserted relevance of each submitted document, the fee as prescribed by the USPTO, and a statement by the person making the third-party preissuance submission that the submission was made in compliance with the statute.

Implementation Strategy

To implement section 8 of the AIA, the USPTO issued new regulations and procedures, prepared its examining and processing staff to handle third-party preissuance submissions, and developed IT systems to receive third-party preissuance submissions electronically. The USPTO published a proposed rule on January 5, 2012, and a final rule on July 17, 2012. The USPTO also published an EFS-Web Third Party Preissuance Submission Quick Start Guide. The third-party preissuance submission procedures have been incorporated into the MPEP at MPEP § 1134. These materials and other resources are posted on the USPTO's website.

The USPTO developed a dedicated web-based interface to permit third parties to file preissuance submissions electronically, using the USPTO's EFS-Web. When filing a preissuance submission via EFS-Web, a third party will receive immediate, electronic acknowledgment of the receipt of the submission. In addition, third parties may file preissuance submissions in paper via the United States Postal Service or by hand-delivery.

The USPTO reviews third party preissuance submissions to determine compliance with the statute and regulations. A compliant preissuance submission is quickly entered into the USPTO's application record and made available to the examiner for consideration. The examiner will consider the submission generally when the examiner next takes up the application for action following the entry of the preissuance submission into the application record.

The USPTO requires a fee for every 10 documents, or fraction thereof, listed in a third-party preissuance submission. The USPTO regulations, however, provide an exemption from this fee requirement where a preissuance submission is the first preissuance submission submitted in an application by a third party and contains three or fewer documents. The USPTO provides this fee exemption for the first preissuance submission in an application by a third party containing three or fewer total documents because the submission of a limited number of documents is more likely to assist in the examination process and thus offset the cost of processing the submission. Moreover, keeping the size of the fee-exempted submission at three or fewer total documents will help focus the attention of third parties on finding and submitting only the most relevant documents.

Implementation Outcome

Table VII shows the number of USPTO third party submissions received by the USPTO, and the number/percent containing U.S. patents or U.S. patent application publications, foreign patent documents, and non-patent publications.

A survey of 400 examiners who received one or more preissuance submissions found the submitted prior art to be useful in a substantial number of instances. The usefulness of the prior art submitted was recognized not only for its application to the claims being examined but also in the development of search strategies to be used by the examiners during examination.

Table VII - Third Party Submissions

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June	Total
Third Party Submissions (totals)	24	805	858	773	**2460***
Containing:					
U.S. patents or patent application publications	81	1,826	1,848	1,742	**5,497**
Foreign patent documents	14	588	637	547	**1,786**
Non-patent publications	59	1,119	1,186	1,072	**3,436**

*This does not include non-compliant submissions

Section 12: Supplemental Examination

Introduction

Section 12 of the AIA provides for supplemental examination. The supplemental examination

provisions of section 12 of the AIA address overuse of the "inequitable conduct" defense, under which a patent is held unenforceable if it was obtained through "inequitable conduct" (i.e., through misrepresentations or omissions of material information to the USPTO). The "inequitable conduct" defense requires clear and convincing evidence of materiality of the misrepresented or omitted information and an intent by the patentee to deceive the USPTO. Thus, if this defense is raised by an accused infringer, the court must invest time and resources in determining the intent of the patentee and his or her representative during submission and prosecution of the patent application, which is often difficult to establish.

Section 12 addresses the inequitable conduct doctrine by authorizing supplemental examination of a patent to correct errors or omissions in proceedings before the USPTO. A patentee may request supplemental examination to present information that was not considered, was inadequately considered, or was incorrect in a prior examination of the patent. The USPTO then determines whether the information presented in the request raises a substantial new question of patentability, and concludes its examination by issuing a certificate indicating whether the information presented in the request raises a substantial new question of patentability. If a substantial new question of patentability is raised by information in the request for supplemental examination, the USPTO will order ex parte reexamination. The resulting ex parte reexamination proceeding will be conducted according to ex parte reexamination procedures, except that the patent owner does not have the right to file a patent owner's statement, and the basis of the ex parte reexamination is not limited to patents and printed publications.

The supplemental examination provisions provide that if information was considered, reconsidered, or corrected during a supplemental examination of the patent, the patent may not be held unenforceable on the basis of conduct relating to such information, with two exceptions. The first exception is that this provision shall not apply to allegations based on conduct relating to such information in civil actions brought against the patent owner, or in notices received by the patent owner under the Federal Food, Drug, and Cosmetic Act, before the date of the supplemental examination request. The second exception is that this provision shall not apply to any defense, based on conduct relating to such information, which is raised in patent enforcement actions before the International Trade Commission or is raised in civil actions brought by the patent owner, unless the supplemental examination, and any resulting ex parte reexamination, is concluded before the date on which the action is brought. Section 12 of the AIA also provides that if the USPTO becomes aware, during the course of a supplemental examination or any resulting ex parte reexamination, that a material fraud on the USPTO may have been committed in connection with the patent that is the subject of the supplemental examination, the USPTO shall refer the matter to the U.S. Attorney General.

Section 12 of the AIA indicates that nothing in the supplemental examination provisions of the AIA precludes the imposition of sanctions based upon criminal or antitrust laws. Further, section 12 of the AIA does not limit the authority of the USPTO to investigate issues of possible misconduct and impose sanctions for misconduct involving matters or proceedings before the USPTO, or to issue regulations relating to sanctions for misconduct by patent practitioners.

Implementation Strategy

To implement section 12 of the AIA, the USPTO issued new regulations and procedures, and prepared its examining staff to handle requests for supplemental examination and any resulting ex parte reexaminations. The USPTO published a proposed rule on January 25, 2012, and a final rule on August 14, 2012. The USPTO also published a Small Entity Compliance Guide on Requests for Supplemental Examination. The supplemental examination regulations and

procedures have been incorporated into the MPEP at MPEP chapter 2800. These materials are posted on the USPTO's website.

The initial fees for a request for supplemental examination were set on a cost recovery basis. The USPTO subsequently adjusted these fees under the authority provided in section 10 of the AIA, and reduced certain supplemental examination fees and provided small entity and micro entity discounts for all supplemental examination fees.

Supplemental examination requests are assigned to the Central Reexamination Unit (CRU), due to the similarity between a request for ex parte reexamination and the new request for supplemental examination. The CRU reexamination specialists were provided with training for the handling of requests for supplemental examination in September of 2012, and the training materials are posted on the USPTO's website. A request for supplemental examination is assigned in the same manner in which requests for ex parte reexamination are assigned. In particular, a request for supplemental examination is assigned to the CRU art unit that examines the technology (chemical, electrical, mechanical, etc.) in which the patent for which supplemental examination is requested is currently classified. Supplemental examination requests for the design area are assigned to the technology center responsible for design examinations with CRU assistance. Within the relevant CRU art unit, the CRU Supervisory Reexamination Specialist will assign the request to a primary examiner who is most familiar with the claimed subject matter of the patent (other than the examiner who originally examined the patent application).

Implementation Outcome

Table VIII shows the number of requests for supplemental information that the USPTO received and the number concluded. It also shows that, of the number concluded, the number in which the USPTO has found there to be no substantial new question (SNQ) of patentability, and the number in which there was a substantial new question of patentability.

Table VIII: Supplemental Examination (SE)

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
SEs Filed, total	1	41	45	36
SEs granted a filing date, total		24	34	28
Determinations on SE granted a filing date, total		19	33	23
SNQ Found:		15	22	17
SNQ not found:		4	11	6

Section 4: Inventor's Oath or Declaration

Introduction

Section 4 of the AIA provides for assignee filing of patent applications and streamlines the requirements for the inventor's oath or declaration.

Section 4 of the AIA permits the person to whom the inventor has assigned (assignee) the application, or is under an obligation to assign (obligated assignee) the application, to apply for the patent as the applicant. Prior to the AIA, the patent laws required that a patent application be filed by the inventor(s), except in situations in which the inventor(s) was not available to file the application or was unwilling to file the application. The pre-AIA patent laws reflected the notion that the inventor must file the application, even though it is increasingly common for patent applications to be assigned to a corporate entity, generally the inventor's employer. Section 4 of the AIA permits assignees and obligated assignees to apply for a patent as the applicant, regardless of the inventor's availability or willingness to file an application for patent. As under the pre-AIA patent laws, a person who shows sufficient

proprietary interest in the invention also may file a patent application on behalf of and as agent for the inventor to preserve rights.

The patent laws require that an application for patent contain an oath or declaration signed by the inventor stating that the inventor believes he or she is the original inventor (or an original joint inventor) of the invention claimed in the application. The AIA maintains the requirement that an application for patent contain an inventor's oath or declaration by or on behalf of each inventor, but simplifies the statements that must be provided in the oath or declaration and streamlines the process for providing a substitute statement in lieu of an oath or declaration by the inventor when an oath or declaration cannot be obtained from the inventor. The AIA provides for the filing of an assignment document that contains the information and statements in an oath or declaration, which may be used as the inventor's oath or declaration, in lieu of filing the statements separately.

By the time the application is eventually filed, the assignee or obligated assignee may have difficulty locating and obtaining every inventor's signature for the oath or declaration required by statute. Although the pre-AIA patent laws provided for the situation in which the inventor's signature is unobtainable, section 4 of the AIA allows the assignee to file a substitute statement in lieu of an oath or declaration by the inventor in this situation. Section 4 of the AIA also provides that the oath, declaration, or substitute statement may be corrected at any time if an error is discovered, and a savings clause is included to prevent an invalidity or unenforceability challenge to the patent based on a failure to comply with these requirements if the failure is remedied.

Implementation Strategy

To implement section 4 of the AIA, the USPTO issued new regulations and procedures, prepared its examining and processing staff to handle assignee-filed applications and the new oath-declaration requirements, and revised its application data sheet and inventor's oath or declaration forms to conform to the new assignee filing and inventor's oath or declaration provisions. The USPTO published a proposed rule on January 6, 2012, and a final rule on August 14, 2012. The USPTO also published an Inventor's Oath or Declaration Quick Reference Guide. The assignee filing and inventor's oath or declaration procedures have been incorporated into the MPEP in chapters 400 and 600. These materials are posted on the USPTO's website.

The USPTO revised its application filing and oath or declaration requirements to make the application data sheet the primary means for providing applicant and inventor information (e.g., the names of the applicants, the names of each inventor, and any priority or benefit claims to earlier foreign or domestic applications). The revised application filing requirements permit an assignee or obligated assignee to file an application as the applicant simply by indicating itself as the applicant in the applicant information section of the application data sheet. The revised oath or declaration requirements permit an applicant to postpone submission of the inventor's oath or declaration until the application has been allowed (until the date on which the issue fee is paid) if the applicant provides an application data sheet indicating the name, residence, and mailing address of each inventor. The revised oath or declaration requirements also permit each oath or declaration to simply identify the inventor executing the oath or declaration if the applicant provides an application data sheet indicating the name, residence, and mailing address of each inventor. The revised oath or declaration requirements permit an applicant to provide a substitute statement in lieu of an oath or declaration if an oath or declaration cannot be obtained from the inventor. The revised application data sheet requirements harmonize the practice regarding foreign priority claims with the practice regarding domestic benefit claims by providing that both types of claims be set forth in an application data sheet.

Implementation Outcome

Prior to the AIA, an application could not be filed by the assignee or obligated assignee as the applicant except in limited situations. Table IX shows the number of applications filed by the assignee or obligated assignee as the applicant from FY 2013 through June FY 2015. Table IX also shows the percent of applications that were filed without an inventor's oath or declaration for FY 2013 through June FY 2015.

Table IX – Oath and Declaration

	FY 2013	FY 2014	FY 2015 Thru June
Total Patent Applications Filed	566,399	582,203	428,374
Filed by assignee or obligated assignee	24,579	41,624	32,122
Percent of total	4.3	7.1	7.6
Percent filed without an inventor's oath or declaration	95.7	92.9	92.4

Recommendations

Section 4 of the AIA amended the patent laws to permit an application to be filed by the assignee, but the provisions pertaining to claims to the benefit of a prior provisional application (35 USC §119(e)) or nonprovisional application (35 USC §120) still refer to the previously-filed application as being "filed" by an inventor. The USPTO recommends that the benefit provisions in 35 USC §119(e) and 35 USC §120 be amended to state that the application must name an inventor in common rather than that they must be filed by a common inventor. A statutory change is needed to avoid confusion as to whether an assignee-filed nonprovisional application may claim the benefit of a prior-filed provisional or nonprovisional application.

Section 6(g): Citation of Prior Art in a Patent File

Introduction

Section 6(g) of the AIA expands the scope of information that may be cited by a member of the public for inclusion in the file of a patent to include written statements of a patent owner filed in a proceeding before a Federal court or the USPTO. Since 1980, the patent laws have provided that a member of the public may submit prior art patents or printed publications and an explanation of the pertinence and manner of applying the prior art for inclusion in the file of the patent, and that the identity of the person citing prior art will be kept confidential if that person so requests. Section 6(g) of the AIA expands this provision to include written statements of the patent owner filed in a proceeding before a Federal court or the USPTO in which the patent owner took a position on the scope of any claim of the patent.

Section 6(g) of the AIA also provides that a person submitting a patent owner statement must include any other documents, pleadings, or evidence from the proceeding in which the statement was filed that addresses the written statement. Section 6(g) of the AIA places a limitation on the usage of this information by the USPTO, indicating that such a statement and information may not be considered by the USPTO for any purpose other than to determine the proper meaning of a patent claim in ex parte reexamination proceedings that have already been ordered and in IPR and PGR proceedings that have already been instituted. Section 6(g) of the AIA also provides that if the statement or information is subject to a protective order, such statement or information must be redacted to exclude information that is subject to the protective order.

Implementation Strategy

To implement Section 6(g) of the AIA, the USPTO issued new regulations and procedures and prepared its examining and processing staff to handle patent owner statements. The USPTO published a proposed rule on January 5, 2012, and a final rule on August 6, 2012. The patent owner statement procedures have been incorporated into the MPEP at MPEP §§ 2203-06. These materials are posted on the USPTO's website.

Implementation Outcome

The public and examiners are complying with the new regulations and procedures for patent owner statements. A total of 56 patent owner statements have been filed between FY 2011 and June of FY 2015.

Section 3(k)(1): Office of Enrollment and Discipline (OED) Statute of Limitations

Introduction

As part of its ethics enforcement duties, the USPTO's Office of Enrollment and Discipline (OED) investigates grievances filed against registered practitioners to determine whether formal disciplinary proceedings should be initiated. Section 3(k)(1) of the AIA amended 35 U.S.C. § 32 to state that disciplinary proceedings for those who practice before the USPTO must be commenced no later than the earlier of 10 years from the date on which misconduct occurred or one year from the date the misconduct is made known to an officer or employee of the Office. Section 3(k)(3) of the AIA directs that the new statute of limitations periods apply in any case in which the time period for instituting a proceeding under 35 U.S.C § 32 had not lapsed before the date of the enactment of the AIA. Prior to the AIA's amendment to 35 U.S.C. § 32, disciplinary actions initiated by OED were subject to a five-year statute of limitations period pursuant to 28 U.S.C. § 2462.

Implementation Strategy

To implement section 3(k)(1) of the AIA on July 31, 2012, the USPTO promulgated a final rule specifying that the one-year timeline for instituting formal disciplinary proceedings would commence from the date of the OED Director's receipt of a grievance. The final rule defined a grievance as a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner. The final rule also specified that the one-year period for instituting a disciplinary proceeding can be tolled by written agreement.

Implementation Outcome

As a result of the AIA's change to the time periods for filing disciplinary proceedings, the USPTO has successfully adapted its procedures to ensure the continued protection of the public, while complying with the new statute of limitations timelines. The USPTO also has implemented internal processing guidelines for almost all phases of OED operations, including disciplinary investigations. These guidelines provide defined process models to consistently and efficiently guide OED personnel through the disciplinary process. They enable OED personnel to add maximum value at each step of the disciplinary process, identify high priority and challenging cases early on in the disciplinary lifecycle, and ensure full compliance with the one-year statute of limitations provision. Furthermore, the USPTO has implemented a more standard communication methodology to normalize and expedite communications and correspondence between the USPTO and outside parties (e.g., practitioners, grievants) during the disciplinary process.

Section 3(k)(2) of the AIA mandates that the USPTO provide a biennial report to the Judiciary Committees of the Senate and House of Representatives regarding incidents made known to the USPTO that reflect substantial evidence of misconduct before the USPTO but for which the USPTO was barred from

commencing a proceeding by the AIA's new ten and one-year statute of limitations provisions. The USPTO has successfully complied with the new time periods under the AIA for filing disciplinary actions. Accordingly, as discussed herein under Studies and Reports, the USPTO issued its first report to the Judiciary Committees of the Senate and the House of Representatives on September 30, 2013, and reported that there were no incidents in which substantial evidence of misconduct before the USPTO was present, but for which the USPTO was barred from commencing a proceeding because of the new time periods.

Recommendations

Section 3(k)(1) requires the USPTO to commence a disciplinary proceeding for those who practice before the office not later than the earlier of ten years from the date on which the misconduct occurred or one year from the date the misconduct is made known to an officer or employee of the USPTO. The USPTO recommends extending the one-year time window to 18 months. After learning of possible misconduct, the USPTO conducts an investigation to determine whether to commence a disciplinary proceeding. One year may not be long enough in some cases for the USPTO to conduct a thorough investigation.

Additionally, the USPTO recommends tolling the time window to bring a disciplinary proceeding in the situation where the possible misconduct is the subject of court litigation and the court case is pending. Waiting until court litigation is resolved will enable the USPTO to conserve resources and better focus its investigations. For example, if a district court finds misconduct, the appellate court may reverse that finding. If the USPTO were to commence an investigation after the district court decision, but before appellate review, then the agency will have used resources that otherwise could have been applied to other investigations if the appellate court reverses the district court's findings.

Section 3: First Inventor to File

Introduction

Section 3 of the AIA amends the patent laws to convert the U.S. patent system from a "first-to-invent" system to a "first-inventor-to-file" (FITF) system. Under a first-to-file patent system, when two or more applications claiming the same invention are filed, the applicant whose claimed invention has the earliest effective filing date has the right to a patent. By contrast, under a first-to-invent patent system, when two or more applications claiming the same invention are filed, the applicant who actually invented the claimed invention first (an "interference" proceeding) has the right to a patent.

The differences between a first-to-file and a first-to-invent patent system arise in large part from the date that is relevant in determining the right to a patent. In a first-to-file system, the relevant date is the effective filing date of the claimed invention. The effective filing date of a claimed invention is an objective date that can be determined from the contents of the patent and the applications (if any) to which the patent claims priority. By comparison, in a first-to-invent system, the relevant date is the date a claimed invention was actually invented. The actual date of invention is often uncertain, and cannot be determined from the contents of the patent or the records available to the public concerning the patent. Rather, determining which applicant actually invented the claimed invention first requires an interference proceeding, which involves testimony with corroborating evidence and extensive discovery, and is lengthy, complex, and costly.

Section 3 of the AIA continues to provide inventors with the one-year grace period feature of the prior first-to-invent patent system. Under the grace period, an inventor's own disclosure that occurs within the one-year period prior to the effective filing date of an inventor's claimed invention is statutorily excluded as prior art

against the inventor's claimed invention. In addition, a disclosure of the claimed invention by another within the one-year grace period when such disclosure was obtained directly or indirectly from the inventor also is statutorily excluded as prior art against the inventor's claimed invention. Moreover, subject matter disclosed by another within the one-year grace period is statutorily excluded as prior art against the inventor's claimed invention if that subject matter was previously publicly disclosed by the inventor or another who obtained the subject matter directly or indirectly from the inventor. A publication or other disclosure more than one year before the effective filing date of a claimed invention, including an inventor's own publication or disclosure, can be used as prior art against the claimed invention.

Section 3 of the AIA defines prior art with respect to the effective filing date of the claimed invention, under which the prior art includes, with certain exceptions, all patents, publications, or other public disclosures prior to the effective filing date of the claimed invention. Section 3 of the AIA also (1) eliminates the requirement that a prior public use or sale activity be "in this country" (in the United States) to be a prior art activity, (2) treats U.S. patents and U.S. patent application publications as prior art as of their earliest effective filing date, regardless of whether the earliest effective filing date is based upon an application filed in the United States or in another country, and (3) prohibits the use of disclosures in U.S. patent documents as prior art as of their effectively filed date when they are either commonly owned or result from a joint research agreement, both for purposes of novelty and nonobviousness.

Section 3 of the AIA took effect on March 16, 2013, and applies to patents and patent applications that contain or ever contained any claimed invention with an effective filing date on or after March 16, 2013, or are a continuation, divisional, or continuation-in-part of an application that contains or ever contained any claimed invention with an effective filing date on or after March 16, 2013. The pre-AIA first-to-invent patent system applies to patents and patent applications that have only ever contained claimed inventions with an effective filing date before March 16, 2013. Thus, the transition between the former first-to-invent patent system to the AIA FITF patent system will be gradual.

Implementation Strategy

To implement section 3 of the AIA, the USPTO issued new regulations and examination guidelines. The USPTO published a proposed rule and proposed examination guidelines on July 26, 2012, and published a final rule and examination guidelines on February 14, 2013. The USPTO also trained its examining staff on how to distinguish between applications covered by the AIA FITF patent provisions and applications still covered by the former first-to-invent patent provisions, and how to examine applications under the AIA FITF patent system. The USPTO also developed IT systems to help determine and track whether an application is subject to the AIA FITF patent provisions or subject to the former first-to-invent patent provisions.

The training to implement section 3 of the AIA required the USPTO to engage in a large-scale training effort that involved a number of stages, and took the form of videos, in-person lectures, a hands-on workshop, and a library of CBT classes. The USPTO provided initial training on the AIA FITF patent provisions in March 2013, which involved an overview of the statutory framework of the AIA FITF patent provisions and instructions for identifying an application as covered by the AIA FITF patent provisions or the former first-to-invent patent provisions. The USPTO provided more comprehensive training on the AIA FITF patent system beginning in June 2013, which involved an in-depth explanation of the statutory framework of the AIA FITF patent provisions, including exceptions for grace period disclosures, and the use of affidavits

and declarations to invoke an exception. The USPTO provided this training as "just-in-time" training on a one-on-one basis to any examiners who had applications covered by the AIA FITF patent provisions that needed to be examined prior to when the comprehensive training was given. The USPTO further provided hands-on workshops involving the examination of a mock application covered by the AIA FITF patent provisions starting in August 2013. The USPTO also has created a FITF online resource to house all training materials including slides, videos and associated transcripts, links to the CBT classes, and FITF points of contact within the USPTO.

The FITF examination regulations and examination guidelines have been incorporated into the MPEP at MPEP chapters 700 and 2100. These MPEP materials, as well as the training materials, are posted on the USPTO's website.

Implementation Outcome

Table X shows the number of applications that are covered by the AIA FITF patent provisions.

Table X: Applications Filed Since 16 March 2013

	Applications	Patents Granted
AIA-FITF=Yes	398,950	21,175
AIA-FITF=No	459,709	69,975

Section 3(e): Repeal of Statutory Invention Registration

Introduction

Section 3(e) of the AIA repeals the provisions pertaining to statutory invention registrations. Statutory invention registrations were added to the patent laws in 1984 as part of the Patent Law Amendments Act of 1984 (Pub. L. 98-622, 98 Stat. 3383 (1984)) to permit applicants willing to forgo a patent to have the application instead published as a statutory invention registration. By publishing the patent application as a statutory invention registration, the applicant would ensure that no one else could subsequently get a patent on the invention.

The patent laws were subsequently amended in 1999 as part of the American Inventors Protection Act of 1999 (AIPA) (Pub. L. 106-113, 113 Stat. 1501 (1999)) to provide for publication of pending patent applications (with certain exceptions) at 18 months from the earliest claimed filing date. The USPTO began publishing applications under the 18-month publication provisions of the AIPA in March of 2001. With the advent of 18-month publication, it is no longer necessary for an applicant to request that an application be published as a statutory invention registration to ensure that no one else subsequently gets a patent on the invention. The number of requests for a statutory invention registration received by the USPTO dropped from 131 in 2001 to 53 in 2002, and the USPTO has received fewer than 53 requests for a statutory invention registration each year since 2002.

Implementation Strategy

The USPTO implemented section 3(e) of the AIA as part of the rulemaking to implement the provisions of the FITF provisions of the AIA, which are also contained in section 3 of the AIA. The proposed and final rules to implement the FITF provisions of the AIA are posted on the USPTO's website.

Implementation Outcome

The USPTO is no longer accepting requests for statutory invention registrations.

Section 6: Inter Partes Review

Introduction

Section 6 of the AIA amended chapter 31 of 35 U.S.C. to respond to criticism of the inter partes reexamination process and converted inter partes reexamination from an examination to an adjudicative proceeding named inter partes review (IPR). The new IPR proceedings allow third party challenges to be brought before the USPTO by a petition filed nine months after the grant of a patent or issuance of a reissue patent. The grounds for seeking an IPR are limited to issues of anticipation and obviousness and only on the basis of prior art consisting of patents or printed publications. In filing a petition, a petitioner must pay a fee, identify each claim challenged, the grounds on which the challenge to each claim is based, and the evidence supporting the grounds for the challenges. Additionally, petitioners must provide copies of all patents, printed publications, and declarations relied upon and must identify all real parties in interest. A patent owner is provided an opportunity to file a preliminary response setting forth the reasons why no IPR should be instituted. The Director of the USPTO may institute a review where the Director determines that the information presented in the petition and any preliminary response demonstrates a reasonable likelihood that at least one claim is unpatentable. The AIA required the USPTO to establish rules such that if an IPR is instituted, patent owners are provided an opportunity to file a complete patent owner response and have an opportunity to file a motion to amend their challenged patent claims. Additionally, the AIA required the USPTO to establish rules where both parties are afforded opportunities to take cross examination of declarants and seek discovery that is necessary in the interests of justice. The parties are provided with the right to an oral hearing to be heard by at least three Administrative Patent Judges (APJs), who are responsible for issuing final written decisions on the patentability of the challenged claims and any new claims added by amendment. The USPTO will terminate an IPR with respect to a petitioner upon joint request of the petitioner and patent owner, and may terminate with respect to the patent owner.

To protect parties from harassment, the AIA required the USPTO to establish regulations prescribing sanctions for abuse of discovery, abuse of process, and any other improper use of the proceeding. Further, the AIA protects patent owners from unwarranted multiple proceedings by providing that the Director may take into account whether the same or substantially same prior art or arguments previously were presented to the USPTO, and may reject the petition on that basis. The AIA also provides relief from untimely challenges by precluding institution where a petition is filed more than one (1) year after the date on which the petitioner, real party in interest, or privy of the petitioner was served a complaint alleging infringement of the patent.

Implementation Strategy

To implement section 6 of the AIA, the USPTO issued new regulations and procedures, hired and trained additional APJs to handle the new proceedings, and developed new IT systems so that all papers from the parties and the USPTO could be entered into the record, and be accessible to the public electronically. The USPTO published a proposed rule on February 10, 2012, and a final rule on August 14, 2012. The USPTO also published a Trial Practice Guide on August 14, 2012 to advise the public

on the general framework of the regulations, including the structure and times for taking action in the proceeding. To aid the public, the judges have issued representative, informative, and precedential decisions to provide further guidance on issues that apply the law and regulations to novel facts or otherwise serve as a guide to future practitioners. These materials and other resources are posted on the USPTO website. The USPTO also has engaged in numerous roadshows and outreach efforts to share information about IPRs, including statistics and lessons learned.

The USPTO further sought additional public feedback on the IPR proceeding through a request for comments published in the Federal Register on June 27, 2014. Thereafter, the USPTO published proposed rules in the Federal Register on August 20, 2015 based upon the input it received. In its proposed rules, the USPTO proposes to allow patent owners to include, with their opposition to a petition to institute a proceeding, new testimonial evidence such as expert declaration. This change responds to commentary raising concerns that patent owners are disadvantaged by current rules that let petitioners' evidence go unanswered before a trial is instituted. The USPTO also proposes a new requirement on practitioners before the PTAB, akin to the Rule 11 requirements in federal courts, to give the USPTO a more robust means with which to police misconduct. The USPTO further proposes to clarify that the PTAB will use the claim construction standard used by district courts for patents that will expire during proceedings and therefore cannot be amended, while confirming the use of broadest reasonable interpretation (BRI) for all other cases. Lastly, the USPTO noted the PTAB's development of motions-to-amend practice through its own body of decisions as well as responded to stakeholder suggestions about requests for additional discovery, live testimony, and confidential information. The USPTO will collect more written comments from the public in response to its proposed rulemaking and promulgate final rules accordingly.

The AIA required the USPTO to establish, by regulation, fees to be paid by the petitioners, in such amounts determined to be reasonable, considering the aggregate costs of the review. In response to public feedback, the USPTO has used its fee setting authority to subsidize the filing fees and promulgated regulations providing for the return of a portion of the filing fee where the institution of the review is denied.

Implementation Outcome

Table XI shows the impact of implementation of section 6 of the AIA.

Table XI: Inter Partes Reviews

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
Cases pending as of end of prior fiscal year	0	17	467	1,221
Cases (petitions) filed	17	514	1,310	1,319
Inter partes review cases, total	**17**	**531**	**1,777**	**2,540**
Cases not instituted, terminated,decided during fiscal year	0	67	556	1,002
Cases pending as of end of fiscal year	**17**	**467**	**1,221**	***1,547**

* includes 9 IPR cases initially denied, and then reinstituted in FY 2015.

Recommendations

Section 6 permits the PTAB to join as a party to an IPR any person who properly files a petition that the Director, after receiving a preliminary response or the expiration of the time for filing such a response, determines warrants the institution of an IPR. Section 6 does not state explicitly that a party can join an ongoing trial where the party is already a participant. The USPTO recommends clarifying the joinder provisions to state that same party joinder is permitted. A statutory change would confirm that a party may join claims to an ongoing trial where the party is already a participant. Absent the change, a party could potentially be precluded from challenging newly-asserted claims from related district court litigation.

Making the change would encourage efficiency by enabling one proceeding to include more issues, which would be less burdensome on the parties and the USPTO.

Additionally, section 6 requires a petition for an IPR to identify all real parties in interest. The USPTO recommends that the statute be amended to allow for timely correction of real party in interest identification where an error in identification arose without deceptive intent. Real party in interest determinations are highly fact-dependent. Courts have avoided rigid definitions or recitation of necessary factors and take the facts into account on a case-by-case basis. Errors in identifying real parties in interest sometimes occur without deceptive intent and currently are not correctable. A statutory change is necessary to avoid situations where petitions are denied based on good-faith, inadvertent errors in identifying all real parties in interest.

Section 6: Post-Grant Review

Introduction

Section 6 of the AIA amended chapter 32 of 35 U.S.C. to allow third party challenges to be brought before the USPTO by a petition for post-grant review (PGR) filed no later than the date that is nine months after the grant of a patent that was filed under the FITF provision or issuance of a reissue patent that was filed under the FITF provision. The grounds for seeking PGR include any ground that could be raised under paragraph (2) or (3) of 35 U.S.C. 282(b) relating to invalidity (i.e., patent eligible subject matter, novelty, obviousness, written description, enablement, and indefiniteness, but not best mode).

In filing a petition, a petitioner must pay a fee, identify each claim challenged, the grounds on which the challenge is based, and the evidence supporting the grounds for the challenge. Additionally, petitioners must provide copies of all patents, printed publications, and declarations relied upon and must identify all real parties in interest. A patent owner is provided an opportunity to file a preliminary response setting forth the reasons why no PGR should be instituted. The Director may institute a review where the Director determines that the information presented in the petition and any preliminary response demonstrates that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. The AIA required the USPTO to establish rules such that if a PGR is instituted, patent owners are provided an opportunity to file a complete patent owner response and have an opportunity to file a motion to amend their challenged patent claims. Additionally, the AIA required the USPTO to establish rules whereby both parties are afforded opportunities to cross examine declarants and seek discovery that is necessary in the interests of justice. The parties are provided with the right to an oral hearing to be conducted by at least three APJs, who are responsible for issuing final written decisions on the patentability of the challenged claims and any new claims added by amendment. The USPTO will terminate a PGR with respect to a petitioner upon joint request of the petitioner and patent owner, and may terminate with respect to the patent owner.

To protect parties from harassment, the AIA required the USPTO to establish regulations prescribing sanctions for abuse of discovery, abuse of process, and any other improper use of the proceeding. Further, the AIA protects patent owners from unwarranted multiple proceedings by providing that the Director may reject the petition because the same or substantially same prior art or arguments previously were presented to the USPTO.

Implementation Strategy

To implement Section 6 of the AIA, the USPTO issued new regulations and procedures, hired and trained additional APJs to handle the new proceedings, and developed new IT systems

so that all papers from the parties and the USPTO could be entered into the record, and be accessible to the public electronically. The USPTO published a proposed rule on February 10, 2012, and a final rule on August 14, 2012. The USPTO also published a Trial Practice Guide on August 14, 2012, to advise the public on the general framework of the regulations, including the structure and times for taking action in the proceeding. To aid the public, the APJs have issued representative, informative, and precedential decisions to provide further guidance on issues that apply the law and regulations to novel facts or otherwise serve as a guide to practitioners. These materials and other resources are posted on the USPTO's website. The USPTO also has engaged in numerous roadshows and outreach efforts to share with the public information about PGR, including statistics and lessons learned.

The USPTO further solicited public feedback on the post-grant review (PGR) proceedings through a request for comments published in the Federal Register on June 27, 2014. Thereafter, the USPTO published proposed rules in the Federal Register on August 20, 2015 based upon the input it received. In its proposed rules, the USPTO proposes to allow patent owners to include, with their opposition to a petition to institute a proceeding, new testimonial evidence such as expert declaration. This change responds to commentary raising concerns that patent owners are disadvantaged by current rules that let petitioners' evidence go unanswered before a trial is instituted. The USPTO also proposes a new requirement on practitioners before the PTAB, akin to the Rule 11 requirements in federal courts, to give the USPTO a more robust means with which to police misconduct. The USPTO further proposes to clarify that the PTAB will use the claim construction standard used by district courts for patents that will expire during proceedings and therefore cannot be amended, while confirming the use of BRI for all other cases. Lastly, the USPTO noted the PTAB's development of motions-to-amend practice through its own body of decisions as well as responded to stakeholder suggestions about requests for additional discovery, live testimony, and confidential information. The USPTO will collect more written comments from the public in response to its proposed rulemaking and promulgate final rules accordingly.

The AIA required the USPTO to establish, by regulation, fees to be paid by petitioners, in such amounts determined to be reasonable, considering the aggregate costs of the review. In response to public feedback, the USPTO has used its fee setting authority to subsidize the filing fees and promulgated regulations providing for the return of a portion of the filing fee where the institution of the review is denied.

Implementation Outcome

The USPTO received two PGR petitions in FY 2014, and eight to date in FY 2015, as shown in Table XII.

Table XII – Post-Grant Review

	FY 2014	FY 2015 Thru June
Cases pending as of end of prior fiscal year	0	2
Cases (petitions) filed	2	8
Post Grant Review cases, total	**2**	**10**
Cases not instituted, terminated,decided during fiscal year	0	3
Cases pending as of end of fiscal year	**2**	**7**

Recommendations

Section 6 permits the PTAB to join as a party to a PGR any person who properly files a petition that the Director, after receiving a preliminary response or the expiration of the time for filing such a response, determines warrants the institution of a PGR. Section 6 does not state explicitly that a party can join an ongoing trial where the party is already a participant. The USPTO recommends clarifying the joinder provisions to state that same party joinder is permitted. A statutory change would confirm that a party may join claims to an ongoing trial where the party is already a participant. Absent the change, a party could potentially

be precluded from challenging newly-asserted claims from related district court litigation. Making the change would encourage efficiency by enabling one proceeding to include more issues, which would be less burdensome on the parties and the USPTO.

Additionally, section 6 requires a petition for a PGR to identify all real parties in interest. The USPTO recommends that the statute be amended to allow for timely correction of real party in interest identification where an error in identification arose without deceptive intent. Real party in interest determinations are highly fact-dependent. Courts have avoided rigid definitions or recitation of necessary factors and take the facts into account on a case-by-case basis. Errors in identifying real parties in interest sometimes occur without deceptive intent and currently are not correctable. A statutory change is necessary to avoid situations where petitions are denied based on good-faith, inadvertent errors in identifying all real parties in interest.

Section 18: Covered Business Methods

Introduction

Section 18 of the AIA provides that the Director may institute a transitional proceeding only for a patent that is a covered business method (CBM) patent, which is a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions. The CBM proceedings employ the standards and procedures of a PGR, with certain exceptions. For example, a petitioner may not file with the Office a petition to institute a CBM patent review of the patent unless the petitioner, the petitioner's real party in interest, or a privy of the petitioner has been sued for infringement of the patent or has been charged with infringement under that patent.

A petition requesting a CBM patent review may be filed any time except during the period in which a petition for a PGR of the patent may be filed. In filing a petition, a petitioner must pay a fee, demonstrate that the patent is a CBM patent, identify each claim challenged, the specific statutory grounds under paragraph (2) or (3) of 35 U.S.C. §282(b) on which the challenge is based, explain how the claim is to be construed, and identify the evidence supporting the grounds for the challenge. Additionally, a petitioner must provide copies of all patents, printed publications, and declarations relied upon and must identify all real parties in interest. A patent owner is provided an opportunity to file preliminary response setting forth the reasons why no CBM review should be instituted. The Director may institute a review where the Director determines that the information presented in the petition and any preliminary response demonstrates that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. The AIA required the USPTO to establish rules such that if a CBM is instituted, patent owners are provided an opportunity to file a complete patent owner response and have an opportunity to file a motion to amend their challenged patent claims. Additionally, the AIA required the USPTO to establish rules whereby both parties are afforded opportunities to cross examine declarants and seek discovery that is necessary in the interests of justice. The parties are provided with the right to an oral hearing to be conducted by at least three APJs, who are responsible for issuing final written decisions on the patentability of the challenged claims and any new claims sought to be added. The USPTO will terminate a CBM review with respect to a petitioner upon joint request of the petitioner and patent owner, and may terminate with respect to the patent owner. The program will sunset for new CBM petitions on September 16, 2020.

To protect parties from harassment, the AIA required the USPTO to establish regulations prescribing sanctions for abuse of discovery,

abuse of process, and any other improper use of the proceeding. Further, the AIA protects patent owners from unwarranted multiple proceedings by providing that the Director may reject the petition because the same or substantially same prior art or arguments previously were presented to the USPTO.

Implementation Strategy

To implement section 18 of the AIA, the USPTO issued new regulations and procedures, hired and trained additional APJs to handle the new proceedings, and developed new IT systems so that all papers from the parties and the USPTO could be entered into the record, and be accessible to the public electronically. The USPTO published a proposed rule on February 10, 2012, and a final rule on August 14, 2012. The USPTO also published a Trial Practice Guide on August 14, 2012, to advise the public on the general framework of the regulations, including the structure and times for taking action in the proceeding. To aid the public, the APJs have issued representative, informative, and precedential decisions to provide further guidance on issues that apply the law and regulations to novel facts or otherwise serve as a guide to practitioners. These materials and other resources are posted on the USPTO's website. The USPTO also has engaged in numerous roadshows and outreach efforts to share with the public information about CBM reviews, including statistics and lessons learned.

The USPTO further solicited public feedback on the CBM proceedings through a request for comments published in the Federal Register on June 27, 2014. Thereafter, the USPTO published proposed rules in the Federal Register on August 20, 2015 based upon the input it received. In its proposed rules, the USPTO proposes to allow patent owners to include, with their opposition to a petition to institute a proceeding, new testimonial evidence such as expert declaration. This change responds to commentary raising concerns that patent owners are disadvantaged by current rules that let petitioners' evidence go unanswered before a trial is instituted. The USPTO also proposes a new requirement on practitioners before the PTAB, akin to the Rule 11 requirements in federal courts, to give the USPTO a more robust means with which to police misconduct. The USPTO further proposes to clarify that the PTAB will use the claim construction standard used by district courts for patents that will expire during proceedings and therefore cannot be amended, while confirming the use of BRI for all other cases. Lastly, the USPTO noted the PTAB's development of motions-to-amend practice through its own body of decisions as well as responded to stakeholder suggestions about requests for additional discovery, live testimony, and confidential information. The USPTO will collect more written comments from the public in response to its proposed rulemaking and promulgate final rules accordingly.

The AIA required the USPTO to establish, by regulation, fees to be paid by petitioners, in such amounts determined to be reasonable, considering the aggregate costs of the review. In response to public feedback, the USPTO has used its fee setting authority to subsidize the filing fees and promulgated regulations providing for the return of a portion of the filing fee where the institution of the review is denied.

Implementation Outcome

Table XIII shows the number of CBM petitions received between FY 2012 and June FY 2015.

Table XIII – Business Methods

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
Cases pending as of end of prior fiscal year	0	8	49	151
Cases (petitions) filed	8	56	177	129
Business Method cases, total	**8**	**64**	**226**	**280**
Cases not instituted, terminated,decided during fiscal year	0	7	75	112
Cases pending as of end of fiscal year	**8**	**49**	**151**	**168**

Recommendations

Section 18 provides for the CBM provision to sunset nine years after date of enactment of the AIA. The USPTO recommends adhering to the sunset period and discontinuing CBM proceedings on September 16, 2020. The purpose of the CBM provision was to enable third parties to challenge covered business method patents issued under pre-AIA law for subject matter ineligibility. Since enactment of the AIA, U.S. law has been evolving in the courts. Notably, U.S. judicial practice has evolved in the wake of the Supreme Court decision in *Bilski v. Kappos*, 561 U.S. 593 (2010), which addressed the subject matter eligibility of business methods and has helped prevent ineligible business methods from being patented. This change in case law renders the need for the CBM provision unnecessary. Additionally, third parties may challenge patents for ineligible subject matter under both section 6 of the AIA for IPR and PGR proceedings, the latter of which permits a patent ineligibility challenge.

Section 18 permits the PTAB to join as a party to an CBM any person who properly files a petition that the Director, after receiving a preliminary response or the expiration of the time for filing such a response, determines warrants the institution of an CBM. Section 6 does not state explicitly that a party can join an ongoing trial where the party is already a participant. The USPTO recommends clarifying the joinder provisions to state that same party joinder is permitted. A statutory change would confirm that a party may join claims to an ongoing trial where the party is already a participant. Absent the change, a party could potentially be precluded from challenging newly-asserted claims from related district court litigation. Making the change would encourage efficiency by enabling one proceeding to include more issues, which would be less burdensome on the parties and the USPTO.

Additionally, section 18 requires a petition for an CBM to identify all real parties in interest. The USPTO recommends that the statute be amended to allow for timely correction of real party in interest identification where an error in identification arose without deceptive intent. Real party in interest determinations are highly fact-dependent. Courts have avoided rigid definitions or recitation of necessary factors and take the facts into account on a case-by-case basis. Errors in identifying real parties in interest sometimes occur without deceptive intent and currently are not correctable. A statutory change is necessary to avoid situations where petitions are denied based on good-faith, inadvertent errors in identifying all real parties in interest.

Section 6: Derivation Proceedings

Introduction

Section 3(i) of the AIA amended 35 U.S.C. § 135 to eliminate interference proceedings and create a new derivation proceeding. Derivation proceedings apply to applications for patents, and any patent issuing therefrom, that are subject to the FITF provisions of the AIA. Derivation proceedings are intended to determine whether an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application without authorization. Derivation proceedings ensure that the first person to file an application for a patent is a true inventor and that a person will not be able to obtain a patent for subject matter that person did not invent.

The petition for a derivation proceeding must be filed within one year of the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention. In filing a petition, a petitioner must pay a fee, identify which application or patent is disputed, and show that the petitioner has at least one claim that is the same or substantially the same as the respondent's claimed invention and the same or substantially the same as the invention disclosed by the respondent. A petitioner also must state with particularity the basis for asserting that a named inventor in the earlier application derived the claimed invention from an inventor named in the petitioner's application and, without authorization, filed the earlier application. A petitioner must provide at least one affidavit addressing communication of the derived invention and the lack of authorization for filing the earlier application. The Director may institute a derivation proceeding whenever the Director determines that these standards have been met. A respondent is provided an opportunity to file a response to the petition and to file a motion to amend their challenged claims. The parties are provided with the right to an oral hearing to be conducted by the PTAB. Where a derivation proceeding is instituted and not dismissed, the PTAB shall issue a written decision that states whether an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application without authorization. The USPTO will terminate a derivation upon receiving a written statement reflecting an agreement between the parties as to the correct inventors of the claimed invention in dispute, unless the agreement is inconsistent with the evidence of record. The derivation provisions of the AIA went into effect on March 16, 2013.

To protect parties from harassment, the AIA required the USPTO to establish regulations prescribing sanctions for abuse of discovery, abuse of process, and any other improper use of the proceeding.

Implementation Strategy

To implement the derivation proceedings as part of the AIA, the USPTO issued new regulations and procedures, hired and trained additional APJs to handle the new proceedings, and developed new IT systems so that all papers from the parties and the USPTO could be entered into the record, and be accessible to the public electronically. The USPTO published a proposed rule on February 10, 2012, and a final rule on September 11, 2012. The USPTO also published a Trial Practice Guide on August 14, 2012, to advise the public on the general framework of the regulations, including the structure and times for taking action in the proceeding. The USPTO also has engaged in numerous roadshows and outreach efforts to share with the public information about derivation proceedings. These materials and other resources are posted on the USPTO's website.

The AIA required the USPTO to establish, by regulation, fees to be paid by petitioners, in such amounts determined to be reasonable, considering the aggregate costs of the review.

Implementation Outcome

Table XIV shows the number of derivation proceedings received by the USPTO from FY 2013 through June 2015.

Table XIV: Derivation Proceedings

	FY 2013	FY 2014	FY 2015 Thru June
Cases pending as of end of prior fiscal year	0	1	3
Cases filed	1	5	5
Derivation Proceeding cases, total	**1**	**6**	**8**
Cases not instituted, terminated,decided during fiscal year	0	3	0
Cases pending as of end of fiscal year	**1**	**3**	**8**

Section 10: Fee Setting Authority

Introduction

Section 10 of the AIA authorized the Director of the USPTO to set or adjust by rule all patent and trademark fees established, authorized, or charged under 35 U.S.C. and the Trademark Act of 1946 (15 U.S.C. § 1051 et seq.). When fees are set, the aggregate revenue from the patent and trademark fees may recover the aggregate estimated cost of operations for patents and trademarks, respectively. In addition, patent fees set or adjusted for "filing, searching, examining, issuing, appealing, and maintaining patent applications and patents" must include a 50 percent reduction for small entities[1] and a 75 percent reduction for micro entities[2] as provided for in section 10(b) of the AIA.

Section 10 outlines a specific process and timeline for setting and adjusting fees. Overall, the process for increasing or setting new fees takes approximately 18 months[3]. This timeframe includes several periods of review within the USPTO, the DOC, and other components of the Executive Branch of the federal government. It likewise includes input from the USPTO Public Advisory Committees (PAC). Specifically, the PAC must hold a public hearing, and prepare a report containing advice and recommendations on the fee proposals. When the USPTO reduces fees, the PAC does not hold a public hearing or issue a public report, which shortens the timeline.

1 For entities who meet the small entity definition in 35 U.S.C. § 41(h)(1).

2 For entities who meet the micro entity definition in section 10(g) of the AIA.

3 Given that the fee setting process was expected to take 18 months, section 11(i) of the AIA provided interim funding through transition fees in the form of a 15 percent surcharge applied to all patent fees set in statute as of the date of enactment.

Implementation Strategy

The USPTO first used the authority provided in section 10 to set and adjust patent fees beginning in September 2011. The USPTO engaged in this patent fee setting process to secure additional revenue to recover the cost of patent operations, including implementing a sustainable funding model, reducing the patent application backlog, decreasing patent application pendency, improving patent quality, and upgrading the patent business IT capability and infrastructure. In addition, the USPTO reduced fees for micro entities defined under section 10(b) of the Act by 75 percent in this rulemaking and extended the existing fee discount of 50 percent for small entities to additional patent fees.

On February 7, 2012, the USPTO notified the Patent PAC (PPAC) of its intent to set and adjust patent fees. The PPAC held two public hearings on February 15, 2012 and February 23, 2012. The USPTO considered witness testimony and public comments when it issued proposed fees on September 6, 2012. After considering comments from the public hearings, the PPAC issued its public report on September 24, 2012. Members of the public had the benefit of the PPAC report when responding to the proposed fee structure. The final rule was published on January 18, 2013, with most fee changes effective on March 18, 2013, and the remainder effective in January 1, 2014.

Implementation Outcome

The USPTO collected an additional $1.1 billion of patent fees during FYs 2013 – 2015[4] than it otherwise would not have collected without the fee setting authority provided for in AIA. At the same time, during FY 2013, $134.3

4 A fiscal year is from October 1 through September 30. The FY 2015 fee collections were estimated.

million of patent fees were sequestered and deemed unavailable for spending. Also, during this period of time, the USPTO set aside some patent fees and increased its patent operating reserve by almost $300 million. The operating reserve supported a sustainable funding model that allowed the USPTO to continue operating during the FY 2014 federal government shut down and to invest in IT improvements during FY 2015 at a time when patent application filing levels and associated fee revenue was lower than expected.

The additional revenue provided through fee setting contributed to the USPTO's progress with many patent initiatives that benefited the fee paying customers. The USPTO decreased the patent application backlog by 10 percent and reduced patent application processing times by over four months for average first action patent pendency and almost six months for average total patent pendency. In addition, the USPTO launched an enhanced quality initiative focusing on improving patent operations and procedures to provide the best possible work products, to enhance the customer experience, and to improve existing quality metrics. Also, as discussed in the Regional (Satellite) Office Program section of this report, while the uncertainties associated with the FY 2013 sequestration delayed the timeline for opening the permanent regional offices, the revenue provided in FY 2014 and FY 2015 facilitated opening the offices to increase and expand outreach to the IP community across the Nation.

Further, the USPTO improved its IT in many areas. For example, the USPTO completed foundational projects to repair its aging infrastructure, and it developed an automated system to implement the new process for third-parties to challenge the validity of granted patents outside the federal court system. Moreover, the USPTO made significant progress on the Patents End-to-End (PE2E) suite of tools that enables a new way of processing patent applications for patent examiners and the public. For example, it developed and implemented an automated method to convert millions of image-based patent application papers into a fully automated extensible markup language (XML) with tags or keywords to facilitate searching during the patent examination process and released the Docket and Application Viewer – the first major PE2E product – to all patent examiners.

At the same time, the USPTO discussed options for lowering fees with the Trademark PAC (TPAC). During FY 2015, the USPTO used the AIA fee setting authority to reduce trademark fees by offering lower cost fee options for filing electronic trademark applications and renewals of registrations. The fee reductions promote efficiency for the USPTO and its stakeholders.

Recommendations/Next Steps

Section 10(i) provides for fee setting authority to sunset seven years after date of enactment of the AIA. Given the successful implementation of the fee setting authority, the USPTO recommends removing the sunset period and making the authority to adjust by rule all patent and trademark fees established, authorized, or charged under 35 U.S.C. and the Trademark Act of 1946 (15 U.S.C. § 1051 et seq.) permanent.

In addition, during implementation, the USPTO noted a few minor areas for improvements associated with the timeline for fee setting as set forth in section 10, as follows:

- Section 10(d) requires the PAC to hold public hearings within 30 days of the USPTO providing a proposed fee change. This strict timeline requirement is reasonable for a formal fee proposal. However, the language does not leave an opportunity for the USPTO to informally discuss fee proposals with a PAC without starting the clock to hold a fee setting hearing. The USPTO recommends specifying that the 30-day requirement is applicable to a "formal" fee proposal.
- Section 10(d) also includes ambiguity in the timeframe for the PAC to hold a public hearing, deliberate, and comment on

the fee proposals. Therefore, the USPTO recommends replacing the 30-day time period for the public hearing with a 45-day time period, consistent with the time period outlined in section 10(d)(1). In addition to adding consistency in the time periods, the additional 15 days would provide more time for the PAC to notify the public, plan, and hold public hearings.

- Section 10(e)(4)(A) requires the effective date of fee rule changes to start from the date of publication in both the Federal Register and Official Gazette of the Patent and Trademark Office. The publication of the Official Gazette occurs only on Tuesdays, complicating and limiting the time frame for the effective date of fee changes. The USPTO recommends changing the effective date to start from the date published in only the Federal Register, while continuing to maintain the requirement to publish the proposed change in both the Federal Register and the Official Gazette.

Section 22: Patent and Trademark Office Funding

Introduction

Section 22 created a Patent and Trademark Fee Reserve Fund (PTFRF) in which to deposit all actual fees collected in excess of the USPTO's appropriation for that fiscal year. Subject to appropriations acts, the fees deposited in this fund are reserved only for use by the USPTO.

Before the USPTO can spend the fees, the annual appropriation act requires the USPTO to submit a reprogramming notification to the Committees on Appropriations.

The effective date of Section 22 was October 1, 2011. Implementing the provisions of this section was fairly simple because rulemaking was not required.

Implementation Strategy

In September 2011, the USPTO began working with the Committees on Appropriations to include language in the FY 2012 appropriation act to direct that all fees collected in excess of its annual appropriated level be deposited in the PTFRF and to designate such fees as available until expended. The following language was included in the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55) enacted on November 18, 2011.

> Provided further, That any amount received in excess of $2,706,313,000 in fiscal year 2012 and deposited in the Patent and Trademark Fee Reserve Fund shall remain available until expended: Provided further, That the Director of USPTO shall submit a spending plan to the Committees on Appropriations of the House of Representatives and the Senate for any amounts made available by the preceding proviso and such spending plan shall be treated as a reprogramming under section 505 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section:

Similar language was included in the annual appropriations acts for FY's 2013, 2014, and 2015.

In November 2011, the USPTO began working with the OMB and the U. S. Department of the Treasury (Treasury) to establish the Treasury Account Fund Symbol (TAFS) associated with PTFRF. The Treasury established the TAFS (013X1008) for the PTFRF in January 2012. This completed implementation of the PTFRF.

The USPTO first collected fees in excess of its annual appropriation in FY 2014 and was required to deposit such fees in the PTFRF. In accordance with the provisions of the annual appropriations act, on October 22, 2014, the USPTO submitted to the Committees on Appropriations a reprogramming notification of

the USPTO's intent to transfer fee collections of $148.2 million from the PTFRF to the USPTO's Salaries and Expense general operating account. The reprogramming notification explained that the transferred fees would be allocated to the USPTO's operating reserve, an approach that aligns with the USPTO's strategic priority to build and maintain an operating reserve to sustain long-term operational goals and prevent the USPTO from having to make short-term crisis-based spending changes that affect the delivery of USPTO's performance commitments.

Another provision enacted as a part of section 22 was to pronounce that any fees collected for patent services may only be used to support patent related activities and any fees collected for trademark services may only be used to support trademark related activities. Prior to enactment of this provision, the statute permitted the USPTO to use patent fees for patent and trademark related activities, but trademark fees for only trademark related activities. The new provision created equality between the two fee-paying communities.

At the time the AIA was enacted, the USPTO activity based information program already provided detailed activity cost information related to each patent and trademark fee and USPTO expenditures. Therefore, no additional actions were required to implement the provision and there was no significant effect from implementation.

Implementation Outcome

Overall, the AIA provision that created the PTFRF has had a positive impact on USPTO operations. The mechanism provided for fees collected in excess of its annual appropriation to remain available until spent. During FY 2014, the first year in which the USPTO was required to use this mechanism, the USPTO had an additional $148.2 million of patent and trademark user fees in the operating reserve and available for spending than it would otherwise have had available prior to enacting the AIA.

However, while implementing the provisions, in FY 2013, Congressionally mandated sequestration impacted the entire Federal government, including the USPTO. As a result, the USPTO was unable to access $147.7 million of patent and trademark user fees causing the Agency to adjust its long-term performance goals, and delay patent application backlog reduction efforts, IT improvements, and opening of regional offices

The USPTO also learned more about the actual implementation procedures of this provision and found a few matters that did not operate as expected. Specifically, the detailed spending plan required to accompany reprograming notices seemed to be unnecessary when notifying Congress regarding access to USPTO user fees deposited in the PTFRF. USPTO submits a detailed spend plan to the Committees on Appropriations as a part of the annual appropriation process. Unlike other reprograming notices, notifications pursuant to this section do not to shift budget authority from one activity to another, but merely access funds in accordance with this plan.

Recommendations/Next Steps

The USPTO suggests eliminating the requirement for a detailed spending plan to accompany a reprogramming notification to transfer funds to the operating reserve.

The USPTO also encourages Congress to expeditiously review any submitted spending plans to enable the smooth transfer of funds from the PTFRF. Delays of any significant period of time may create unnecessary uncertainty in USPTO's budgeting process or delay planned expenditures detailed in the spend plan.

Section 10(h): Electronic Filing Incentive

Introduction

Section 10(h) of the AIA provides for a fee of $400 ($200 for small and micro entities) for

any non-provisional utility patent application that is not filed via the USPTO's electronic filing system (EFS-Web). The non-electronic filing fee is in addition to other fees that must be paid for a patent application, such as the filing, search, and examination fees. The non-electronic filing fee does not apply to reissue, design, plant, or provisional applications. The purpose of the non-electronic filing fee is to encourage the filing of patent applications via the USPTO's EFS-Web.

Implementation Strategy

The non-electronic filing fee took effect on November 15, 2011. The USPTO notified the public of the non-electronic filing fee in a Federal Register notice published on September 23, 2011, and a final rule published on November 15, 2011. The non-electronic filing fees are collected by the USPTO and transferred directly to the Treasury Department.

Implementation Outcome

Over the past three years, as shown in Table XV(a) below, applicants paid non-electronic filing fees on 9,430 applications. Table XV(b) shows that the percentage of applications filed via EFS-Web has increased from just below 90 percent in FY 2010, the fiscal year prior to the non-electronic filing fee, to 98.8 percent to date in FY 2015.

Table XV(a) – Non-Electronic Patent Application Filings

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
Large Entity	956	632	427	176
Small Entity	2,918	2,528	1,969	1,218
Total	**3,874**	**3,160**	**2,396**	**1,394**

Table XV(b) – Percent of Patent Applications Filed Electronically

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
Percent Applications Filed Electronically	89.5	93.1	97.0	98.1	98.4	98.8

Section 10(g): Micro-Entity

Introduction

Section 10(g) of the AIA establishes a "micro entity" applicant and provides for a significant reduction in patent fees under the AIA to such an applicant.

Section 10(g) defines a "micro entity" as a small entity applicant who has not been named as an inventor on more than four previously-filed patent applications, had a gross income in the preceding calendar year not exceeding the gross income limit of three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census, and did not assign or license (or become obligated to assign or license) an ownership interest in the patent application to an entity that exceeded the gross income limit in the preceding calendar year. Section 10(g) of the AIA also defines a "micro entity" as an applicant whose employer is an institution of higher education as defined in the Higher Education Act of 1965, or an applicant who has transferred, or is obligated to transfer, a license or other ownership interest in an application to an institution of higher education as defined in the Higher Education Act of 1965.

The AIA provides for micro entity applicants a seventy-five percent reduction in the patent fees set or adjusted under section 10 of the AIA.

Implementation Strategy

To implement section 10(g) of the AIA, the USPTO issued new regulations and procedures, prepared its processing staff to handle micro

entity payments and questions concerning micro entity status, and revised its IT systems to accommodate micro entity payments. The USPTO published a proposed rule on May 30, 2012, and a final rule on December 19, 2012. Patent fees adjusted under section 10 of the AIA and reduced by seventy-five percent for micro entity applicants went into effect on March 19, 2013. The USPTO posts current information on the micro entity gross income limit (three times the median household income for the preceding calendar year, as most recently reported by the Bureau of the Census) on the USPTO's website. The micro entity standards have been incorporated into the MPEP at MPEP § 509.04. These materials and other resources are posted on the USPTO's website.

Implementation Outcome

The percentage of patent applicants claiming small entity status varies each year; therefore, Table XVI shows the range filed between 1982 and 2012. Micro entity fees first went into effect in March of 2013, and Table XVI shows the percent of patent applicants that claimed small and micro entity status in FY 2013 through June in FY 2015.

Table XVI - Micro Entity Status

Percentage of Patent Applications	Range 1982 - 2012	FY 2013	FY 2014	FY 2015 Thru June
Claiming small entity status	34.7 - 18.6	23.8	23.4	23.0
Claiming micro entity status	-	1.9	3.1	3.1

PROGRAMS

Section 28: Patent Ombudsman for Small Businesses

Introduction

Section 28 of the AIA requires the Director of USPTO to establish and maintain a Patent Ombudsman Program to provide support and services relating to patent filings to small business concerns and independent inventors.

Implementation Strategy

The USPTO established a dedicated staff to focus on the patent application filing needs of small business concerns and independent inventors. USPTO staff developed educational materials as well as provided educational programming to independent inventors and small businesses. In addition, the USPTO partnered with the National Institute of Science and Technology Manufacturing Extension Partnership in 2012 to develop the IP Awareness Assessment Tool. This tool helps small businesses and inventors assess their IP requirements and learn what steps they should take to protect these assets. Further, the USPTO created the Ombudsman Program to assist patent applicants filing without an attorney or agent (pro se), attorneys, and agents with application-processing issues, particularly with concerns about advancement of prosecution (e.g., the applicant cannot reach the examiner and Supervisory Patent Examiner (SPE) after a reasonable period of time). Specifically, the program is intended for those applications in which the normal process has gone awry and all other procedural avenues have been used but failed to provide the needed assistance. The Ombudsman Program was expanded to include a call center in FY 2013, which opened the accessibility of the program to anyone, either via the telephone or via the Internet. The creation of the call center greatly increased the number of program end-users.

Implementation Outcome

The Ombudsman Program started in May 2010, and generally receives inquiries from three main categories of customers: (1) pro se applicants or independent inventors; (2) patent attorneys and/or registered agents; and (3) others, such as inventors with registered patent counsel. The Ombudsman Program started to track the inquiries by the type of inquirer in August 2011. Table XVII below shows the use of the program from the first full year of tracking information to date.

Table XVII – Ombudsman Program Usage

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Thru June	Total to Date
Total Inquiries (cumulative)	642	921	4,292	5,469	3,700	14,382
Pro Se applicants		308	1,748	1,958	1,463	5,477
		33.4%	40.7%	35.8%	39.5%	38.1%
Attorneys/ Agents		508	1,530	2,387	1,148	5,573
		55.2%	35.7%	43.7%	31.0%	38.8%
Other		105	1,014	1,124	1,089	3,332
		11.4%	23.6%	20.6%	29.4%	23.2%

Section 32: Pro Bono Program

Introduction

Section 32 of the AIA requires the Director to work with and support IP law associations across the country in the establishment of pro bono programs designed to assist financially under-resourced independent inventors and small businesses. By Executive Action in February 2014, President Obama directed the USPTO to appoint a full-time Pro Bono Coordinator and help expand pro bono coverage into all 50 states.

Implementation Strategy

During FY 2012, the USPTO began encouraging the establishment of pro bono IP services through various non-profits. The USPTO played an instrumental role in developing the concept of regional patent pro bono programs across the country. During FY 2014, the USPTO established a more formalized Patent Pro Bono Program. The USPTO appointed a full-time Pro Bono Coordinator and hired additional patent attorneys to staff the Patent Pro Bono Program. The Coordinator and attorney's facilitated the establishment of new regional programs and expansion of existing ones. In June 2015 the Pro Bono Team secured nationwide pro bono coverage so that under-resourced independent inventors and small businesses in every state would have access to free patent legal help.

On October 25, 2013, various patent practitioners and pro bono experts from across the country signed the first-ever charter of the newly-formed Pro Bono Advisory Council (PBAC) placing oversight responsibility in the hands of the Council. As the number of regional programs has grown, so has membership on the PBAC, to include at least one representative from each regional program. In addition, the PBAC has formed numerous subcommittees to address programmatic issues.

Implementation Outcome

As shown in Table XVIII, the number of states with pro bono coverage has risen from 21 to 50 in June 2015. Also shown in Table XVIII, more attorneys are volunteering their services, and more inventors are requesting assistance.

In January 2015, the USPTO sent the first-ever metrics reporting requirements to regional programs to begin tracking relevant data. Those results will come back to the USPTO at the end of each quarter.

Table XVIII: Pro Bono Program

	FY 2012	FY 2013	FY 2014	FY 2015 Thru June
States with Pro Bono coverage	2	17	21	50
Independent inventors and small business assisted	*	*	280**	162***
Attorneys volunteering their assistance	17	282	313	503***

*Programs did not report information for these years

**Total number of matches provided by all Pro Bono Programs through the end of Y 2014

***Data only includes first quarter of FY 2015

Section 29: Diversity of Applicants

Introduction

Section 29 of the AIA required the Director of the USPTO to "establish methods for studying the diversity of patent applicants, including those applicants who are minorities, women, or veterans." The USPTO was to fulfill the statutory provision by March 16, 2012.

Implementation Strategy

The USPTO shared public patent data with the Census Bureau's Center for Economic Studies (CES), so that CES could match this data with diversity information at the Census Bureau. CES also advised the USPTO on the accuracy and reliability of these statistics, including potential biases from any inability to match the data adequately. The USPTO also issued a Federal Register notice seeking public comment on the Diversity of Applicants initiative, asking whether and how to study patent applicant diversity further, including the value of a survey and other data collection options, the use of personal identifying information, the sharing of data with other institutions, and the assurance of data accuracy.

Implementation Outcome

CES was able to match 64.3 percent of the U.S.-resident inventors provided by the USPTO. The poor quality of data-matching and some statistical bias suggest that the limited information that the USPTO currently collects about inventors is not sufficient to allow CES to meaningfully describe the cumulative diversity characteristics of inventors as a group within the meaning of section 29. The public comments in response to the USPTO's Federal Register notice supported studying patent applicant diversity further and using surveys to collect information, but strongly urged the USPTO to conduct surveys only on a voluntary basis out of privacy concerns. No comments addressed the concern that voluntary data would likely affect the accuracy of data received.

The USPTO has determined that the ability of mandatory surveys to generate individual demographic diversity data of acceptable quality and reliability is in tension with the lack of public support for mandatory surveys due to privacy concerns under current law. For the USPTO to study applicant diversity further, there must be a resolution of this tension. Until such a resolution, the USPTO notes that parallel efforts are underway to study demographic, economic, and other forms of diversity in the innovation system.

Section 23: Open Regional (Satellite) Offices

Introduction

In support of the Office's modernization efforts, section 23 of the AIA prescribed that the USPTO establish three or more regional (satellite) offices in the United States within three years of the law's enactment, subject to available resources.

Implementation Strategy

Prior to the AIA, the USPTO initiated a regional office pilot program as part of the Nationwide Workforce Program. Detroit, Michigan was selected as the pilot program's first office location. The Elijah J. McCoy USPTO in Detroit

opened on July 13, 2012. Thus, for the first time in its 200 year history, the USPTO established a working presence beyond the beltway of Washington, D.C.

To select the locations for the three additional regional offices the USPTO conducted an assessment process. On July 2, 2012, the USPTO announced the locations for the three additional regional offices in Dallas, Texas; Denver, Colorado; and Silicon Valley, California—a combination of sites that give the USPTO a footprint in each time zone of the continental United States.

Because of the time and resources needed to open a permanent USPTO office, the USPTO quickly opened temporary offices in or near each of the three future permanent regional office locations. Meanwhile, the Office engaged in a multi-step occupancy process for the permanent offices. In accordance with the AIA deadline, the three additional offices were planned to open on a staggered schedule beginning with Denver in the fall of 2013, followed by Silicon Valley in the spring of 2014, and concluding with Dallas in the fall of 2014. Unfortunately, due to budget uncertainties, the timeline was delayed in 2013. The Rocky Mountain Regional Office in Denver, which was the furthest toward completion during the delay, opened on June 30, 2014. The schedules for the Silicon Valley and Dallas regional offices were more heavily impacted, and their openings are scheduled for October 15, 2015 and November 9, 2015 respectively.

Implementation Outcome

The USPTO has made significant overall progress in fulfilling the AIA objectives for the regional offices. The USPTO successfully increased and expanded outreach activities to local IP stakeholders, including independent inventors, business communities, universities, and other government offices, in all four office regions. Additionally, the USPTO has been able to recruit highly qualified patent examiners for both the Detroit and Denver offices, and the same is expected for the Silicon Valley and Dallas locations. The retention rate of the patent examiners in the Detroit office is in line with that of new examiners in Alexandria over a similar time period. Together, the recruiting and retention of highly qualified patent examiners contributes to patent application backlog reduction as well as enhances the quality of patent examination. Further, the regional offices have increased the USPTO's ability to hire APJs to manage the PTAB's ex parte appeal inventory and AIA trials. APJs have been hired and placed in each of the temporary offices in advance of patent examiners being hired into the permanent facilities. Finally, the regional offices provide stakeholders with easier access to USPTO services including prior art searching, examiner interviews, and PTAB hearing rooms.

Section 31: International Protection for Small Businesses

Introduction

Section 31 of the AIA required the Director of the USPTO, in consultation with the Secretary of Commerce and the Administrator of the Small Business Administration (SBA), to study how best to support businesses seeking international patent protection. The USPTO and SBA were to determine whether a revolving fund loan program or a grant program would be proper for helping small businesses defray the costs of filing, maintaining, and enforcing patents internationally. The USPTO and SBA also were to provide other pertinent recommendations.

Implementation Strategy

The USPTO and SBA prepared and timely submitted this report to Congress in January, 2012. The report was based primarily on input from the public, including 18 sets of comments invited through a Federal Register notice and oral testimony taken at two public hearings held in October and November 2011.

Findings and Recommendations

The report found that, although patenting appears relatively uncommon among small businesses based in the United States, such patenting does tend to be concentrated in high technology firms. These firms use patenting as a mechanism for securing competitive advantage. Patenting in foreign jurisdictions, when done early in the firm's life cycle, can provide a significant platform for expanding into new markets later in the life cycle. At the same time, however, small businesses may be patenting less frequently than larger firms.

Small firms also face high costs in pursuing patent protection internationally. High patenting costs often occur early in the life of small businesses, when funding and cash flows are generally limited. These already high costs are often exacerbated for U.S. small companies because foreign patent offices do not generally provide discounts for small businesses. This is in contrast with the USPTO, which gives discounts to eligible small businesses from all over the world. Foreign governments also are subsidizing patenting by their citizens, with China being the largest and most aggressive actor in this regard.

In the face of these cost challenges, public comments reflected considerable skepticism about whether the U.S. government ought to provide public funding to small businesses for international patenting. Public response disfavored both a revolving loan program and a grant program, and generally favored market solutions where possible. At the same time, commenters agreed that the U.S. Government should engage in diplomacy and patent harmonization to help reduce costs associated with filing foreign patent applications, and that an aggressive program of small-business education could aid American companies to make informed decisions regarding the optimal international patent strategy.

Accordingly, the report concluded that many small businesses may benefit from extending patent rights outside the United States, but that too few were aware of the need to do so or the pathways and mechanisms available to make these decisions accurately and pursue them cost-effectively. Consistent with the public's comments, the report recommended against either a revolving fund loan program or a grant program and instead recommended in favor of IP education and training programs.

Implementation Outcome

Since the January 2012 publication of the USPTO-SBA report fulfilling AIA section 31, the USPTO has made good on its own recommendation of more robust education for businesses that are engaged in foreign markets.

In the months immediately following the report, the DOC established a policy initiative aimed at educating American businesses operating overseas.[1] The initiative, known as "Assess Costs Everywhere," has twin objectives. One is to encourage businesses, particularly small businesses, to restore their operations to the United States. The other is to provide American firms with information on a wide variety of economic and operational issues associated with doing business overseas. These issues include labor costs, travel and oversight, shipping, product quality, trade financing costs, inventory, regulatory compliance costs, political and security risks, and IP management.

At the invitation of the DOC, USPTO staff contributed original content to the Assess Costs Everywhere initiative and helped clear it through inter-agency and White House review. Moreover, USPTO staff also helped integrate that IP-related content into a public-facing web-based tool that was launched in April 2013. The project team was a coordinated effort among the Economics and Statistics Administration, the DOC Office of Public Affairs, the Manufacturing Extension Partnership of the National Institute for Standards and Technology, and the USPTO.

Having fulfilled its mandate under section 31 of the AIA, the USPTO makes no further recommendations in this regard.

Section 3(m): Prior User Rights

Introduction

The AIA expands the "prior user rights" defense to infringement and broadens the classes of patents that are eligible for the new limited prior user rights defense. U.S. law already provided a prior user rights defense that was limited to patents directed to methods of conducting business. The AIA extended the prior user rights defense to patents covering all technologies, not just business methods. In response to concerns expressed during the legislative debate about the impact of an expanded prior user rights defense on the patent system, and innovation more generally, Congress mandated the USPTO to produce a report detailing its findings and recommendations on the operation of prior user rights in the world.

Specifically, Congress directed the USPTO to examine and report on the following issues:[2]

A. A comparison between patent laws of the United States and the laws of other countries, including members of the European Union and Japan, Canada, and Australia;

B. An analysis of the effect of prior user rights on innovation rates in the selected countries;

C. An analysis of the correlation, if any, between prior user rights and start-up enterprises and the ability to attract venture capital to start new companies;

D. An analysis of the effect of prior user rights, if any, on small businesses, universities, and individual inventors;

E. An analysis of legal and constitutional issues, if any, that arises from placing trade secret law in patent law; and

1 U.S. Department of Commerce, Assess Costs Everywhere, *available at* http://acetool.commerce.gov/.

2 Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3(m), 125 Stat. 284, 292 (2011).

F. An analysis of whether the change to a first-to-file patent system creates a particular need for prior user rights.

Implementation Strategy

The USPTO held a public hearing in October 2011, and solicited comments from interested parties through a Federal Register Notice published on October 25, 2011 to complement its own independent research on the issue of prior user rights[1]. Additionally, the USPTO obtained input from the Office of the United States Trade Representative (USTR), the Department of Justice (DOJ), and the Department of State (DOS). The USPTO received 29 comments from a broad spectrum of foreign and domestic stakeholders, including industry organizations, universities, bar associations, and individuals. The USPTO timely issued its report to Congress in January 2012.

Findings and Recommendations

In the January 2012 Report to Congress, the USPTO made a series of findings and recommendations that the prior users rights defense provisions set forth in the AIA are generally consistent with those of major trading partners and need not be altered at this time; that the prior user right defense under the AIA should be maintained with no change at the present time because there is no substantial evidence that it will have a negative impact on innovation, venture funding, small businesses, universities, or independent inventors; and that the USPTO should reevaluate the economic impacts of prior user rights as part of its 2015 report to Congress on the implementation of the AIA, when better evidence as to these impacts might be available. The report also noted that U.S. patent law should provide for a prior user rights defense as an appropriate balance between trade secret protection and patent law, which legally co-exist to benefit innovation and the U.S. economy as well as to provide competitive advantages for U.S. businesses; and that U.S. patent law should provide for a prior user rights defense to patent infringement in order to address a systemic inequity inherent in a FITF system and to ensure U.S. businesses are (i) able to protect their investments in the event of a later issued patent, and (ii) placed on similar footing as competitors in other jurisdictions.

As recommended in the January 2012 Report, the USPTO has reevaluated the economic impacts of prior user rights since passage of the AIA. There continues to be no substantial evidence of any adverse economic impacts from the prior user rights defense. There has been only one reported court case in which the prior user right defense has been invoked since enactment of the AIA, and the prior user right defense was stricken in that case.[2]

Section 3(k): OED Reports – Report on Misconduct Before the Office

Introduction

Section 3(k)(1) of the AIA requires the USPTO to commence practitioner disciplinary proceedings not later than the earlier of 10 years from the date on which misconduct occurred or one year from the date the misconduct is made known to an officer or employee of the Office. Section 3(k)(2) of the AIA requires the USPTO to provide a biennial report to Congress regarding incidents made known to an officer or employee of the Office that reflect substantial evidence of misconduct before the Office, but for which the Office was barred from commencing a proceeding under the newly-established ten and one year statute of limitations provisions.

Implementation Strategy

On September 30, 2013, the USPTO provided its first report to Congress under the requirement

1 Notice of Public Hearing and Request for Comments on the Study of Prior User Rights, 76 Fed. Reg. 62,388 (Oct. 7, 2011).

2 Vaughan Co. v. Global Bio-Fuels Tech., LLC, 2013 U.S. Dist. LEXIS 152068 (N.D.N.Y Oct. 23, 2013)

of AIA section 3(k)(2). The USPTO reported that after closely monitoring all incidents of potential misconduct made known to the USPTO, and after implementing new USPTO policies and procedures to ensure compliance with the amended time periods for commencing disciplinary proceedings, there were no incidents in which substantial evidence of misconduct before the USPTO was present, but for which the USPTO was barred from commencing a proceeding under 35 U.S.C. § 32 because of the new time periods.

Implementation Outcome

Since September 2013, the USPTO has continued to track all incidents of potential misconduct made known to the USPTO, and has continued to evaluate its structure and procedures to ensure compliance with the new time periods for commencing disciplinary proceedings. As a result, the USPTO expects that in its 2015 Report to Congress, which is currently undergoing internal USPTO review, there will also be no incidents to report in which substantial evidence of misconduct before the USPTO was present, but for which the USPTO was barred from commencing a proceeding under 35 U.S.C. § 32.

Section 16: Virtual Marking

Introduction

Section 16 of the AIA provided patentees with an option of using "virtual marking" (i.e., affixing onto the article the word "patent" or the abbreviation "pat." followed by an Internet address that associates the patented article with the number of the patent), as an alternative to physically marking patented articles with patent numbers to provide constructive notice to the public that the article is patented.

Section 16 of the AIA also required the USPTO, within three years, to produce a report to Congress addressing each of the following issues:

A. An analysis of the effectiveness of virtual marking as provided in the amendment made by paragraph (1) of this subsection [Section 16(a) of the AIA] as an alternative to the physical marking of patented articles;

B. An analysis of whether such virtual marking has limited or improved the ability of the general public to access information about patents;

C. An analysis of the legal issues, if any, that arise from such virtual marking; and

D. An analysis of the deficiencies, if any, arising from virtual marking.

Implementation Strategy

The USPTO reviewed the existing case law and conducted its own independent research on the issue of virtual marking. In addition, the USPTO solicited input from interested parties through the publication of a Federal Register notice on June 15, 2014 seeking written comments on the issues posed by Congress. The USPTO received nine written comments from businesses, independent inventors, patent practitioners, professional organizations, and individuals.

Implementation Outcome

The USPTO Report on Virtual Marking was submitted to Congress on September 16, 2014.

On the basis of the written comments and the independent research, the USPTO concluded that virtual marking has likely met its congressionally intended goals. However, it is recommended to evaluate the impact of the virtual marking amendment again at a later date after a sufficient time has passed since its enactment for pertinent issues to arise.

Section 23(d): Regional (Satellite) Offices

Please refer to Section 23 above, Open Regional (Satellite) Offices, for information about this Study.

Section 27: Genetic Testing

Introduction

Section 27 of the AIA required the Director of the USPTO to study a number of issues related to confirmatory genetic diagnostic testing, specifically the following:

A. The impact that the current lack of independent second opinion testing has had on the ability to provide the highest level of medical care to patients and recipients of genetic diagnostic testing, and on inhibiting innovation to existing testing and diagnoses;

B. The effect that providing independent second opinion genetic diagnostic testing would have on the existing patent and license holders of an exclusive genetic test;

C. The impact that current exclusive licensing and patents on genetic testing activity has on the practice of medicine, including but not limited to the interpretation of testing results and performance of testing procedures; and

D. The role that cost and insurance coverage have on access to and provision of genetic diagnostic tests.

Section 27 of the AIA also required the USPTO to report to Congress on the findings of the study and provide recommendations for establishing the availability of confirmatory genetic diagnostic testing.

Implementation Strategy

The USPTO reviewed scientific, economic, and legal literature and actively sought diverse input from the public. The USPTO published a Federal Register notice on January 25, 2015 seeking written comments and received 30 comments. The USPTO further held two hearings in February and March 2012, and heard testimony from 18 witnesses.

The USPTO was obliged, however, to reorient these efforts in light of two significant decisions issued by the Supreme Court during the original implementation schedule. The first decision was in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.,* issued in March 2012. The second decision was in *Association for Molecular Pathology v. Myriad Genetics, Inc.*, issued in June 2013. These respective cases involved, in relevant part, certain laws of nature and certain naturally occurring genetic sequences. Accordingly, after notifying Congress of the need for further study, the USPTO collected 10 more written comments in response to another Federal Resister Notice published on November 29, 2012 and held an additional public roundtable with 19 testifying witnesses in January 2013 on the impact of the Supreme Court's decisions.

Implementation Outcome

The *Mayo* and *Myriad* decisions impacted the enforceability of patents on genetic diagnostics. The findings presented in the report submitted to Congress on September 29, 2015 demonstrate foremost that much of the debate surrounding the role and impact of patents and exclusivity in genetic diagnostic testing has taken place in the absence of hard data and rigorous analysis, with little empirical support for the often far-reaching changes proposed in legal, economic, or regulatory policy. As the landscape of gene-related patents and exclusive licensing evolves in light of the Supreme Court's *Mayo and Myriad* decisions, the USPTO concludes that with respect specifically to confirmatory, gene-based diagnostic testing, Congress need take no immediate action.

APPENDICES

APPENDIX I – Summary of Recommendations

Section	Topic	Recommendation
Section 3(k)(1): OED Statute of Limitations	Enrollment and Discipline	Allow disciplinary proceedings to commence 18 months after misconduct was first made known to USPTO rather than one year, and clarify timing related to concurrently pending court cases
Section 4: Inventor's Oath or Declaration	Oath and Declaration	Amend the benefit provisions to state that the application must name an inventor in common rather than that they must be filed by a common inventor
Section 6: Inter Partes Disputes Section 6: Post-Grant Review Section 18: Covered Business Methods	Same Party Joinder	Clarify joinder provisions for inter partes and post-grant review proceedings to state that same party joinder is permitted.
	Correction of Real-Party-in-Interest	Allow for timely correction of real party in-interest identification where error arose without deceptive intent.
Section 10: Fee Setting Authority	Sunset Provision	Remove the sunset period and make authority to adjust patent and trademark fees by rule permanent
	Public Advisory Committee Hearings	Specify that the 30-day requirement is applicable to a "formal" fee proposal. Replace the 30-day time period for a public hearing with a 45-day time period
	Effective Date of Fee Changes	Change the effective date to start from the date published in the Federal Register, but maintain the requirement to publish proposed changes in both the Federal Register and the Official Gazette
Section 22: Patent and Trademark Office Funding	Detailed Spending Plan	Eliminate the requirement for a detailed spending plan to accompany a reprogramming notice to transfer funds to the operating reserve

APPENDIX II - Public Outreach – Events/Venues and Speakers

From September 2011 through September 2013, USPTO staff spoke about the AIA at the following events or venues.

Date	Event/Venue	Speaker
6/9/15	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Erin Harriman, Legal Advisor
4/21/15	Customer Outreach at Denver Satellite Office	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer
4/15/15	Prior Art under the America Invents Act Webinar for the Association of Intellectual Property Firms	Kathleen Fonda, Senior Legal Advisor
3/3/15	AIPLA Webinar	Mary Till, Senior Legal Advisor
1/28/15	North Carolina Bar Association, IP Section	Mary Till, Senior Legal Advisor
12/2/14	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer
10/22/14	New Jersey Intellectual Property Law Association	Mary Till, Senior Legal Advisor
6/16/14	"Prosecuting Patent Applications under the AIA: Tips from the USPTO" at the InnoVision Forum: 2014 Intellectual Property Trends and Innovation in the Chemical Arena, in Greenville, South Carolina	Kathleen Fonda, Senior Legal Advisor
6/10/14	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer
4/16/14	"FITF Overview and Tips on Responding to Prior Art Rejections" Biotechnology/Chemical/ Pharmaceutical (BCP) Customer Partnership	Kathleen Fonda, Senior Legal Advisor
4/10/14	Roundtable on the Use of Crowdsourcing and Third-Party Preissuance Submissions to Identify Relevant Prior Art	Nicole Haines, Senior Legal Advisor
4/10/14	USPTO's Law School Clinic Certification Pilot Program	Kathleen Fonda, Senior Legal Advisor
2/26/14	American Conference Institute's Pharmaceutical and Biotechnology Patent Life Cycles and Portfolio Strategies	Mary Till, Senior Legal Advisor
1/23/14	Advanced Patent Law Institute "First-Inventor-to-File: Summary of USPTO Training For Patent Examiners"	Kathleen Fonda, Senior Legal Advisor
1/22/14	American Conference Institute's Patent Reform	Mary Till, Senior Legal Advisor
12/3/13	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer
9/16/13	AIA Second Anniversary	Teresa Stanek Rea, Deputy Under Secretary of Commerce for IP and Deputy USPTO Director
6/7/13	LAIPA	Teresa Stanek Rea, Deputy Under Secretary of Commerce for IP and Deputy USPTO Director
5/21/13	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer

Date	Event/Venue	Speaker
5/2/13	First-Inventor-to-File Final Rules and Guidelines at the Patent Information Users Group Annual Conference, Alexandria, VA	Kathleen Fonda, Senior Legal Advisor
4/23/13	BIO International Convention	Mary Till, Senior Legal Advisor
4/4/13	2013 ABA IPL Section Conference	James Donald Smith, Chief Administrative Patent Judge & Michael Tierney, Lead Administrative Patent Judge
3/27/13	California State Bar, IP Section	Janet Gongola, Patent Reform Coordinator
3/22/13	HUSL 10th Annual Law Seminar	Scott Boalick, Lead Administrative Patent Judge
3/22/13	Patent Law Practice after AIA Suffolk University Law School	Thomas Giannetti, Lead Administrative Patent Judge
3/22/13	Patent Law Update - Suffolk University Law School	Thomas Giannetti, Lead Administrative Patent Judge
3/21/13	Marcus Evans	Janet Gongola, Patent Reform Coordinator
3/5/13	American Conference Institute Medical Device Program	Janet Gongola, Patent Reform Coordinator
3/4/13	15th Annual Richard C. Sughrue Symposium on Intellectual Property Law and Policy	Teresa Stanek Rea, Acting Director of the USPTO
2/28/13	"The Patent Office Comes to California:;The America Invents Acts: Final Provisions to Become Effective" to the California Bar Association	Pinchus M. Laufer, Senior Legal Advisor
2/25/13	McDermott Will & Emery Roundtable	James Donald Smith, Chief Administrative Patent Judge
2/22/13	57th Annual IP Conference at John Marshall Law School	James Donald Smith, Chief Administrative Patent Judge & Michael Tierney, Lead Administrative Patent Judge
2/21/13	Richard Linn American Inn of Court (2)	Michael Tierney, Lead Administrative Patent Judge
2/21/13	Richard Linn American Inn of Court (1)	James Donald Smith, Chief Administrative Patent Judge
2/7/13	Japan Intellectual Property Association	Janet Gongola, Patent Reform Coordinator
1/29/13	LAIPLA Washington in the West Conference	Jeffrey Robertson, Lead Administrative Patent Judge
1/25/13	2013 Advance Patent Law Institute at USPTO: "Preissuance Submissions Under 37 CFR 1.290: USPTO Final Rule and Practitioner Perspective"	Nicole Haines, Senior Legal Advisor
1/17/13	Boston Bar Association IP Year in Review	James Donald Smith, Chief Administrative Patent Judge
12/3/13	American Conference Institute: Pharmaceuticals, Biotech, and Life Science	Janet Gongola, Patent Reform Coordinator
11/28/12	New First-Inventor-to-File and Inventor's Oath or Declaration Rules at the ACI's 14th Advanced Forum on Biotech Patents, Boston, MA	Kathleen Fonda, Senior Legal Advisor
11/16/12	AIPLA LSAC	Mark Polutta, Senior Legal Advisor & Terry Dey, Technical Writer
11/9/12	Ohio Society of Professional Engineers	Janet Gongola, Patent Reform Coordinator
11/2/12	Chicago Intellectual Property Law Association	Janet Gongola, Patent Reform Coordinator

Date	Event/Venue	Speaker
10/26/12	American Intellectual Property Law Association Annual Meeting	Janet Gongola, Patent Reform Coordinator
10/25/12	CBI's 4th Life Sciences Congress on Paragraph IV Disputes	Teresa Stanek Rea, Deputy Director of USPTO
10/18/12	Connecticut Intellectual Property Law Association	Janet Gongola, Patent Reform Coordinator
10/17/12	AIA Presentation: Pittsburgh Intellectual Property Association	Joseph Weiss, Senior Legal Advisor
10/16/12	Aerospace Industries Association	Robert Bahr, Senior Patent Counsel, Office of the Deputy Commissioner for Patent Examination Policy
10/11/12	ACI's 13th Annual Maximizing Pharmaceutical Patent Life Cycles	Teresa Stanek Rea, Deputy Director of USPTO
10/5/12	Texas State Bar, Intellectual Property Law Section, Annual Meeting	Janet Gongola, Patent Reform Coordinator
10/3/12	Practicing Law Institute: How to Effectively Prosecute AIA Post-Grant Proceedings 2012 - Part 2	Michael Tierney, Lead Judge, Trial Section, BPAI
10/1/12	AIA First-Inventor-to-File Webinar for the Federal Laboratory Consortium for Technology Transfer	Kathleen Fonda, Senior Legal Advisor
10/3/12	Practicing Law Institute: How to Effectively Prosecute AIA Post-Grant Proceedings 2012 - Part 3	Michael Tierney, Lead Judge, Trial Section, BPAI
9/21/12	IP Section of the Virginia State Bar's Fall CLE	Teresa Stanek Rea, Deputy Director of USPTO; Robert Bahr, Senior Patent Counsel; Judge Michael Tierney
9/14/12	Indiana University Maurer School of Law: The America Invents Act, One Year Later	Michael Tierney, Lead Judge, Trial Section, BPAI
8/28/12	CONNECT WEBINAR	Mary Till, Senior Legal Advisor
8/16/12	IP Chat Channel discussion: "Challenging a Patent Application: Preissuance Submissions to the USPTO"	Nicole Haines, Senior Legal Advisor
7/31/12	Georgia State Law School Job Fair	Mary Till, Senior Legal Advisor
7/26/12	Greenville Patent Roundtable	Hiram Bernstein, Senior Advisor, Office of Patent Legal Administration
6/29/12	Utah State Bar	Janet Gongola, Patent Reform Coordinator
6/20/12	BIO International Convention	Mary Till, Senior Legal Advisor
6/1/12	ABA Webinar: Understanding the America Invents Act: A Sweeping Change of U.S. Patent Prosecution Practice	Teresa Stanek Rea, Deputy Director of USPTO
5/30/12	Washington State Patent Law Association	Michael Tierney, Lead Judge, Trial Section, BPAI
5/11/12	"ABA Tax Section Patent Task Force Meeting"	Michael Cygan, Senior Legal Advisor
5/10/12	AIPLA Spring Quarterly Meeting	Janet Gongola, Patent Reform Coordinator
4/30/12	Federal Laboratory Consortium Annual Meeting	Janet Gongola, Patent Reform Coordinator
4/19/12	Catholic Law School, Dean William Callyhan Robinson Lecture	Janet Gongola, Patent Reform Coordinator
4/11/12	Patent Office Goes to California	Janet Gongola, Patent Reform Coordinator

Date	Event/Venue	Speaker
4/3/12	USPTO European Road Show / Stakeholder Outreach/Feedback Meetings	David Kappos, Director of USPTO
3/27/12	34th PTRC Training Seminar	Hiram Bernstein, Senior Advisor, Office of Patent Legal Administration
3/27/12	Managing IP Reform Event	David Kappos, Director of USPTO
3/23/12	Cardozo Law School	Teresa Stanek Rea, Deputy Director of USPTO
3/21/12	MCCA Conference - 11th Annual CLE Expo	James Donald Smith, Chief Judge, BPAI
3/19/12	Akron University School of Law - 14th Annual Sughrue Symposium on IP Law and Policy	David Kappos, Director of USPTO
3/15/12	USPTO Implementation of the America Invents Act	Janet Gongola, Patent Reform Coordinator
3/9/12	17th Annual Intellectual Property Institute, University of Washington	David Kappos, Director of USPTO
3/8/12	Alternative Dispute Resolution in IP	Bernard J. Knight Jr., General Counsel
3/5/12	Administrative Patent Revocation Trials	Teresa Stanek Rea, Deputy Director
2/24/12	56th Annual Conference on Developments in Intellectual Property Law	Bernard Knight, General Counsel
2/22/12	The Trial Phase: Discovery, Testimony, Challenging Testimony, Use of Experts, and Estoppel	Michael Tierney, Lead Judge, Trial Section, BPAI
2/21/12	The Preliminary Phase: Filing a Petition, the Preliminary Response, and Institution of Review	Michael Tierney, Lead Judge, Trial Section, BPAI
2/21/12	United States Patent and Trademark Office Road Show at the University of San Diego (CRU)	Remy Yucel, Director of Central Reexamination Unit
2/21/12	United States Patent and Trademark Office Road Show at the University of San Diego	Remy Yucel, Director of Central Reexamination Unit
2/16/12	University of South Florida - Annual Conference of the National Academy of Inventors	David Kappos, Director of USPTO
2/9/12	CIPLA	Janet Gongola / Patent Reform Coordinator
2/8/12	7th Annual Corporate Intellectual Property Law Conference	Bruce Kisliuk, Assistant Deputy Commissioner for Patent Operations
2/7/12	NJIPLA Meeting Speaker	David Kappos, Director of USPTO
1/31/12	ACI Comprehensive Guide to Patent Reform for Life Sciences Companies	Janet Gongola, Patent Reform Coordinator
1/25/12	Post Grant Reviews in U.S., Europe and Japan	Michael Tierney, Lead Judge, Trial Section, BPAI
1/24/12	AIA Rules Package: 2012 Mid-Winter Institute Gives You a Critical First Look	Teresa Stanek Rea, Deputy Director of USPTO
1/20/12	Pfizer -- Implications of the AIA	Teresa Stanek Rea, Deputy Director of USPTO
1/17/12	2012 ACPC Winter Meeting	Dana Colarulli, Director of Governmental Affairs
1/12/12	USPTO Discusses Implementation of the America Invents Act	Janet Gongola, Patent Reform Coordinator; Judge Michael Tierney; Robert Bahr, Senior Patent Counsel; Michelle Picard, Senior Advisor for Financial Management
1/9/12	USPTO Navigates the America Invents Act	Janet Gongola, Patent Reform Coordinator
1/5/12	Global IP Convention 2012	Teresa Stanek Rea, Deputy Director of USPTO

Date	Event/Venue	Speaker
12/16/11	Public Policy Forum with USPTO Director David Kappos: A Review of the America Invents Act and its impact on the USPTO	David J. Kappos, Director of USPTO
12/7/11	New Jersey IP Law Association 25th Annual CLE Seminar	Teresa Stanek Rea, Deputy Director of USPTO
12/5/11	21st Annual PTO Day at Ronald Reagan Trace Center	David Kappos, Director of USPTO
12/2/11	Indiana University School of Law—Indianapolis	Janet Gongola, Patent Reform Coordinator
12/01/11	Patent Public Advisory Committee Quarterly Meeting	Janet Gongola, Patent Reform Coordinator
11/04/11	Georgetown-Stanford Law Conference	David Kappos, Director of USPTO
11/22/11	New York State Bar Association	Robert Stoll, Commissioner for Patents
11/03/11	Biotechnology Industry Organization IP Counsel Committee Conference	Janet Gongola, Patent Reform Coordinator
10/27/11	AIPLA: USPTO Implementation of the America Invents Act	Janet Gongola, Patent Reform Coordinator
10/20/11	AIPLA Annual Meeting	Janet Gongola, Patent Reform Coordinator
10/20/11	AIPLA Annual Meeting	David Kappos, Director of USPTO
10/17/11	5th Transatlantic Market Conference	David Kappos, Director of USPTO
10/05/11	CHESS - Chief Housewares Executive Super Session	Robert Stoll, Commissioner for Patents
9/30/11	Brookings Institution	David Kappos, Director of USPTO
9/29/11	National Minority Enterprise Development Conference	Richard Maulsby, Associate Commissioner for Innovation Development
9/29/11	Lunch and Learn About the America Invents Act	Dana Colarulli, Director of Governmental Affairs
9/27/11	American Conference Institute America Invents Act	Robert Stoll, Commissioner for Patents
9/22/11	WIPO Symposium	David Kappos, Director of USPTO

APPENDIX III – Press Releases

From September 2011 through September 2013, USPTO issued 34 AIA-related press releases.

- AIA Second Anniversary Forum (September 04, 2013)
- Pro Bono program (November 12, 2013)
- Silicon Valley Satellite Office (November 19, 2013)
- USPTO Publishes Final Rules and Guidelines Governing First-Inventor-to-File (February 13, 2013)
- USPTO Helps Expand Pro Bono Patent Assistance to Nation's Inventors (October 25, 2012)
- USPTO Updates Registration Examination for New Patent Practitioners (October 4, 2012)
- USPTO Encourages Third Parties to Participate in Review of Pending Patent Applications (September 20, 2012)
- Historic Patent Reform Implemented by U.S. Patent and Trademark Office (September 17, 2012)
- U.S. Patent and Trademark Office Seeks Comment on Proposed Fee Schedule as Mandated by America Invents Act (September 4, 2012)
- USPTO Hosting Two Public Information Events on America Invents Act (August 29, 2012)
- USPTO Selects Central Denver Location for Regional Satellite Office (August 23, 2012)
- USPTO Publishes Final Rules for Administrative Trials Under America Invents Act (August 13, 2012)
- USPTO Publishes Final Rules for Supplemental Examination and Inventor's Oath or Declaration (August 13, 2012)
- USPTO Publishes Final Rules for the Citation of Prior Art and Written Statements Provision of the America Invents Act (August 3, 2012)
- Final Rule for Statute of Limitations Provision of the America Invents Act (July 30, 2012)
- USPTO Publishes Proposed Rules Governing First-Inventor-to-File (July 26, 2012)
- USPTO Publishes Final Rules Governing Preissuance Submissions (July 17, 2012)
- U.S. Patent and Trademark Office Opens First-Ever Satellite Office in Detroit, Michigan (July 13, 2012)
- U.S. Commerce Department to Open Four Regional U.S. Patent Offices That Will Speed Up the Patent Process and Help American Businesses Innovate, Grow, and Create Jobs (July 2, 2012)
- USPTO Publishes Proposed Rules to Implement Micro Entity Status for Paying Discounted Patent Fees (May 30, 2012)
- USPTO to Host February 21 Webinar with Senior Agency Officials (February 15, 2012)
- USPTO Proposes Rules of Practice for Trials before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions (February 9, 2012)
- U.S. Patent and Trademark Office Seeks Public Input on Proposed Fees (February 7, 2012)
- USPTO Publishes Proposed Rules for Supplemental Examination and to Revise Reexamination Fees (January 25, 2012)
- USPTO Announces Public Hearings and Request for Comments on Genetic Diagnostic Testing per the America Invents Act (January 25, 2012)
- USPTO Issues Reports Required by the America Invents Act on the Prior User Rights Defense Study and the International Patent Protection for Small Business Study (January 17, 2012)
- USPTO to Host Seven Public "Roadshows" Across U.S. to Support America Invents Act Implementation (January 9, 2012)
- Ahead of Schedule, USPTO Publishes Proposed Rules to Implement Four Provisions of the America Invents Act (January 6, 2012)
- USPTO Seeking Comments on Future Locations for Satellite Offices (November 29, 2011)
- USPTO to Host Webinar on America Invents Act (AIA) With Senior Agency Officials (October 26, 2011)
- USPTO to Conduct Studies of Prior User Rights and International Patent Protection for Small Businesses per the America Invents Act (October 18, 2011)
- USPTO Updates Effective Date of "Track One" Fast-Track Patent Processing (September 23, 2011)
- USPTO Updates Fee Schedule Following Enactment of Leahy-Smith America Invents Act (September 21, 2011)
- President Obama signs America Invents Act (September 16, 2011)

APPENDIX IV – Roadshows

Spring 2012: Events included seven AIA roadshows, two hearings for the Genetic Testing Study, and two PPAC fee setting hearings. At the AIA roadshows, the USPTO explained its proposed rules for various new provisions required under the AIA including supplemental examination, *inter partes* review, and post grant review.

Date	City/State	Location
02-15-2012	Alexandria, VA	PPAC Fee Setting Hearing, USPTO Headquarters
02-16-2012	Alexandria, VA	Genetic Testing Hearing, USPTO Headquarters
02-17-2012	Alexandria, VA	Roadshow, USPTO Headquarters
02-23-2012	Sunnyvale, CA	PPAC Fee Setting Hearing, Sunnyvale Public Library
02-24-2012	Sunnyvale, CA	Roadshow, Sunnyvale Public Library
02-27-2012	Salt Lake City, UT	Roadshow, Marriot Library, University of Utah
02-29-2012	Dallas, TX	Roadshow, Dallas Public Library
03-02-2012	Ft. Lauderdale, FL	Roadshow, Broward County Main Library
03-05-2012	Boston, MA	Roadshow, Boston Public Library
03-07-2012	Chicago, IL	Roadshow, Chicago Public Library
03-09-2012	San Diego, CA	Genetic Testing Hearing, San Diego Public Library

Fall 2012: The USPTO hosted eight roadshows about new final rules that would become effective on September 16, 2012 (provisions for inventor's oath/declaration, preissuance submissions, citation of patent owner statements, supplemental examination, *inter partes* review, post grant review, and covered business method review.

Date	City/State	Location
09-10-2012	Minneapolis, MN	Hennepin County Library
09-12-2012	Alexandria, VA	USPTO Headquarters
09-14-2012	Los Angeles, CA	Los Angeles Public Library
09-17-2012	Denver, CO	Denver Public Library
09-20-2012	Detroit, MI	Detroit Public Library
09-24-2012	Atlanta, GA	Georgia Institute of Technology, Student Center
09-26-2012	Houston, TX	Rice University Fondren Library
09-28-2012	New York, NY	New York Public Library

Fall 2014: The USPTO hosted seven roadshows to increase the understanding of the First Inventor to File (FITF) provisions of the AIA.

Date	City/State	Location
09-16-14	Concord, NH	Franklin Pierce Intellectual Property Center at University of New Hampshire
09-18-2014	Madison, WI	University of Wisconsin-Madison
09-23-2014	Alexandria, VA	USPTO Headquarters
09-30-2014	Dallas, TX	Dallas Bar Association
10-02-2014	Denver, CO	USPTO Rocky Mountain Regional Office – Byron C. Rogers Federal Building
10-07-2014	Silicon Valley, CA	Cupertino Community Hall
10-09-2014	Atlanta, GA	Georgia Institute of Technology, Scheller College of Business

APPENDIX V – Glossary of Acronyms and Abbreviation List

Acronyms

Acronym	Definition
AIA	Leahy-Smith America Invents Act (Pub.L. 112-29)
APJ	Administrative Patent Judge
BRI	Broadest Reasonable Interpretation
CBM	Covered business method
CBT	Computer-Based Training
CFR	Code of Federal Regulations
CRU	Central Reexamination Unit
DOC	Department of Commerce
DOJ	Department of Justice
DOS	Department of State
EFS-Web	Electronic Filing System
FITF	First-Inventor-to-File
IFW	Image File Wrapper
IP	Intellectual Property
IPR	Inter Partes Review
IT	Information Technology
MPEP	Manual of Patent Examining Procedure
NPRM	Notice of Proposed Rulemaking
OED	Office of Enrollment and Discipline
OID	Office of Innovation Development
OMB	Office of Management and Budget
PAC	Public Advisory Committee
PBAC	Pro Bono Advisory Council
PGR	Post Grant Review
POPA	Patent Office Professional Association
PPAC	Patent Public Advisory Committee
PTAB	Patent Trial and Appeal Board
PTFRF	Patent and Trademark Fee Reserve Fund
SBA	Small Business Administration
SNQ	Substantial new question of patentability
SPE	Supervisory Patent Examiner
U.S.C.	United States Code
USPTO	United States Patent and Trademark Office
USTR	United States Trade Representative

United States Patent and Trademark Office

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